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The Nation's Business

Protection for Our Paper Mills

Quebec Restricts New Construction

Guthrie Speaks

Need for New Conservative Policies

IT IS recognized by all sound thinkers that business development is broadest, and most stable when there is the minimum of control by and interference from governmental authorities. Just as when governments essay the operation of commercial enterprises, there is less efficiency, service and expansion than when the driving force is individual initiative, so is it true that when elected bodies attempt regulation of private business, there is arbitrary and inelastic restraint that dams up the free flow of capital and that quells the spirit of adventure that is the mainspring of industrial advance. The growing tendency among groups of business men to introduce "self-government" into their affairs is but an attempt by business to make such governmental interference unnecessary.

* * *

THERE are times, however when it is necessary for elected bodies to use the power that lies in their hands to prevent undue expansion and disintegrating developments in a particular trade or industry. Examples are transportation, where governments are the logical force to prevent unprofitable duplication of railways, bus lines, or inter-urban traction systems; the hydro-electric business, where governments must control competition, in order that private or public capital may not be wasted in conflict between promoters for the use of a great natural resource; and the pulp and paper business, where an "inexhaustible" supply of raw material may easily be dissipated in a very short time by overconstruction of paper mills. It is a happy sign that those administering the forest domain of Canada, are seized of their responsibility to maintain for all time to come a supply of raw material for mills that represent the investment, made in good faith, of many millions of dollars of investors' money.

* * *

IN CANADA we have boasted, with good reason, of the satisfying advance of our great pulp and paper industry. In a quarter of a century it has grown from a tiny element in our industrial life, incapable of meeting even our own modest demands for paper on which to print and write, to a business that now has no serious challenger as the foremost of our manufacturing industries. It has drawn some $400,000,000 of capital for investment, has built enormous revenues for our provincial governments, has added over $100,000,000 yearly to our favorable balance of trade and now pays out $200,000,000 a year to workers, merchants, makers of equipment, governments and investors.

Exhilarating as is the thought of this mighty development, it has almost crowded out any idea that the situation has its danger. The 100 odd mills that have been built, dotting six of the provinces of the Dominion, have created a demand for woods that has gradually grown until it virtually equals the possible annual growth of suitable trees in the areas adjacent to these mills. Some areas, in the older parts of Canada, have actually seen more paper mills erected than were justified by the timber reserves at hand.

* * *

EVENTUALLY, it was certain, a point must be reached when some restraining hand must be laid upon the creative builders of the industry. Otherwise each new mill would not only enter production with the possibility of failure overhanging it, but it would upset the stability of every established enterprise of this character, not only by creating surplus production, but by utilizing forests that were the rightful reserve of the older mills.

It is a development of no small significance that the provincial governments of Canada should now be pursuing the policy of protecting the existing paper mills before opening up virgin timber lands for exploration by entirely new projects.

* * *

THE Quebec government this week announced a definite policy in this regard, along the lines of earlier forecasts and made it plain that no one will be permitted to utilize crown lands at present unalienated, for the construction of new paper mills, until the existing mills are assured of raw material to make them permanent revenue producing assets. The purpose, in brief, is to make the paper mills permanent assets and not mines or saw mills, here to-day and gone to-morrow.

British Columbia is apparently determined to give its paper mills equal protection and a recent refusal on

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DOMINION GLASS RUMORS DECLARE SOME DEAL SOON

In Meantime, Company Appears to be Bettering Position

SURVEY PROPERTIES

Name of Owen Bottle Company, American Concern, Linked With That of Canadian Company

From Our Own Correspondent.

MONTREAL. — It is understood that the Dominion Glass Company recently undertook a very comprehensive survey of all its properties. It is thought that this might have been done with a view to consummating a deal with some other glass producers; rumors have already connected the name of the Owens Bottle Company of the United States with that of Dominion Glass for the latter operates in Canada under the same patents as the Owen Bottle Company operates in the U. S.

Offers have been made to the company in the past but have been turned down and whether negotiations with other interests are taking place at present is simply a matter for conjecture.

In the meantime the cloud of obscurity which has prevailed during the last year regarding the common shares of the company seems to be melting away in the brighter outlook resulting from the decision of Ontario to revoke its prohibition legislation.

Should Assist Company

Such action will result in a decided increase in the demand for glass bottles in Ontario which in turn should be reflected in the gross earnings of the company, for the major portion of the output of the company consists of bottles. These are used for every conceivable purpose and while the increased demand from Ontario should naturally improve the position of the company, yet no one industry absorbs any dominant portion of the total output and the increased demand of the brewers in Ontario should be regarded as a favorable factor, rather than a dominating influence on the future of the company.

Dominion Glass owns 87½ per cent. of the capital stock of the Jefferson Glass Company of Toronto, and also $150,000 of that company's first mortgage bonds. This subsidiary company made various glass specialties and suspended operations at the beginning of 1925 owing to the keen competition in these lines. It is still not operating.

The company owns outright four other plants which are situated at Montreal, Hamilton, Wallaceburg, and Redcliffe, Alberta. These plants are all in operation.

The output of these plants includes bottles for distilleries, breweries, food packers, druggists, chemists, as well as fruit jars, jars for ointments and cosmetics, tumblers, table ware, and certain electric appliances.

Ontario's decision to sell liquor under government control indicates better earnings during 1927. But if the earnings improve, it seems to be generally felt that there is little chance of increased dividends — at least until such time as the large patent and goodwill account which is carried on the books has been still further materially reduced.

The company seems to be the one speculative member of Sir Charles Gordon's companies. Other companies of which he is president, or in which he is largely interested, are usually in such a position that their common shares are out of the speculative class. Not so, however, Dominion Glass, whose management, it is generally thought, was greatly strengthened by the recent addition of four new members to its board and the recent change in the management.

Although the company is highly capitalized by its patent and goodwill account, yet in the past it has demonstrated an earning power on this capitalization. Last year, the volume was satisfactory but increased costs kept the margin of profit low.

The company is the largest manufacturer of glassware in Canada. It was formed in 1913 as the consolidation of three existing glass companies.

One of the unattractive features of Dominion Glass shares has always been the size of its goodwill and patents account, etc., which appears on its balance sheet and which now stand at $3,156,920. However, reductions are being made in this item for at the close of the 1922 year it stood at $4,625,920.

The patent rights included in the account were purchased from American companies at much below their real value and were taken on the books at cost; it seems to be pretty generally admitted that from such rights the company is in a better position than some of its competitors. Incidentally, it was probably the Consumers Glass Company's entry into the field which reduced the company's earnings during the past two years.

J. G. Coates

New Zealand's Premier Follows Bruce Through Canada

By H. T. HUNTER, Vice-president, The Financial Post.

Rt. Hon. J. G. Coates, prime minister of New Zealand, follows closely on the heels of Premier Bruce, of Australia, as a visitor to Canada. He is addressing meetings in most of the places at which Premier Bruce spoke. His speeches in London during the Imperial Conference and the address he delivered in Montreal on Wednesday indicate that, like Bruce, he is more interested in inter-Imperial Trade and Empire Defence than in the academic question of status.

These two prime ministers from the Antipodes have much in common. They are each natives of the countries whose destinies they are guiding. They won distinction on the field of battle, each being awarded the Military Cross and Bar. They are both young men, Bruce being forty-three and Coates forty-seven years of age. They are strong Imperialists with an intense love and belief in the future of their own country.

Brief and Practical

I heard Coates speak frequently during the conference and was impressed with his frank, straightforward manner, his clear enunciation and his soldierly bearing. He is tall, square shouldered, with a ruddy complexion denoting the open-air life to which he has always been accustomed. He does not affect oratory. His speeches were usually brief and of a very practical nature. He does not possess the smooth manner of the glib politician; indeed his bearing is rather cold and dignified, but there is a reserve strength in evidence which commands respect. A New Zealand journalist described him accurately as a "man of action rather than a man of thought; a man of works, not of words." His early training would tend to develop this type of man.

It is exactly sixty years since his parents left Herefordshire behind them and set sail on the leisurely voyage of the period for New Zealand. They settled at Matakohe, in the North Island, and it was there in 1879 that Joseph Gordon Coates was born.

He grew up as a farmer's son riding to school on a pony perched behind a brother who was destined to fall in France. Later he took his part in the work on the farm; as a shepherd and a boundary-rider he learned to make the best of his inheritance when at last it fell to him.

Won Military Cross

The tale of his courage in France is of a much later date. It was in 1917 that Major J. G. Coates, commanding "C" Company of the 1st Auckland Infantry Battalion, won the Military Cross for his gallantry in repelling a trench raid on the Western Front. A few months later, in the grim struggle of March, 1919, his battalion, tired and hungry after five days "footslogging," were flung into the line to stem the German advance. For a day and a night they fought, "C" company's commander rallying his men when they faltered and carrying them to safety when they fell. He won a bar to his Military Cross, and the official record has it that "his willingness to sacrifice himself for others was an inspiration to all his men."

It is not surprising then to learn that Mr. Coates is popular with all classes in the New Zealand parliament. He was a devoted follower of the late Mr. Massey, who represented New Zealand as prime minister at five previous Imperial Conferences. Clemenceau, the Tiger of France, remarked to an English journalist after the Treaty of Versailles, "We would have had a much better Treaty of Peace it it were made by Massey, prime minister of New Zealand, Hughes, prime minister of Australia, and myself." This is surely a high tribute by one of the greatest European statesman to the man Mr. Coates succeeded.

Views on Imperial Questions

Mr. Coates has, however, his own verv definite views on Imperial questions. The following statement was given by him in New Zealand, before the Conference convened, to a correspondent of the London Times:

"Let there be no mistake. New Zealand is as proud and as jealous of her national status as any other Dominion. She will not give an inch of what she has won, first in war and then in the councils of the nations.

"But why this insistence on the word 'status'? Surely there is no question about it nowadays, and to press for fuller definition is only banging on an open door. To my mind, status implies responsibility, and the real problem is not to press for full consultation (the right of which is already conceded) but to devise some more practical system by which the ideal method of consultation may be attained.

"Some day, either by experiment or by improvement in scientific means of communication, this method may be achieved. But, as things are to-day, I cannot lift this telephone and talk direct to Mr. Baldwin. Until we can do so, New Zealand is content to let decisions in moments of emergency rest with the

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STEEL'S CHAIN STORES SLOWLY GAINING GROUND

Gross Sales Increase to $4,600,000, or 15 Per Cent. in 1926

OWNERS NUMBER 27,000

That Many Persons Contributed $1,300,000 Cash to Save Something from Wreck

Sales of Steel's Consolidated, operating a chain of nineteen 5-cent to $1 stores in Ontario and Quebec, for the year 1926 amounted to $1,957,944.33, as compared with $1,751,618.67 for the year 1927, a gain of $206,325.66, an increase of 11.78 per cent.

During the year the company opened one new store at Chicoutimi, Que., but reduced materially the size of one of its stores in Montreal. Total merchandise sales of Steel's Consolidated, Inc., the parent company of Buffalo, N.Y., and Steel's Consolidated, for the past year were $3,754,796.20 as compared with sales of $3,447,963.68 in 1925, a gain of $306,832.52 or an increase of 8.89 per cent. During the year four stores were closed in the United States where leases expired and three new stores were opened as replacements.

Subsidiaries Swell Total

Total sales of Steel's Consolidated, Inc., and operating subsidiaries for the year 1926 amounted to $4,600,681.31 as compared with $4,003,619.45 in 1925, a gain of $597,061.86, or an increase of 14.913 per cent.

More than 27,000 of the original investors in the multifarious enterprises of the late L. R. Steel put cash into the protective trust organized by Walter M. Wilkins, now president of Steel's Consolidated and in the old regime the lawyer who was kept busy getting new companies incorporated to give an outlet for the battalions of high-pressure salesmen who urged L. R. Steel on to new ventures, piling company on company and branching out in fields in which he, a chain-store man of experience, had no right to be.

The 27,000 who came forward with 10 per cent. or more of their original holdings in an effort to save something from the wreck of the dozen-odd companies will be shareholders in Steel's Consolidated, Inc., of New York state with head offices in Buffalo. Their allotment of shares will be on the basis of 220 per cent. of the cash in the protective trust. It is expected that the share certificates will be all in their hands within a few months.

Steel's Consolidated, Buffalo, will own Steel's Consolidated of Canada, where nineteen stores are operated

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Tooke Brothers Offer Not Very Satisfactory Declare Some Investors

Why Western Farmers Like Income Taxes

From Our Own Correspondent.

OTTAWA. — Agitation of Western Agrarians to keep the income tax at its present height, and to make any further taxation reductions take the form of tariff decrease, becomes understandable in the light of figures issued by the government this week showing the respective amount of income tax paid into the Dominion treasury during the fiscal year, 1926. Here are the figures by provinces:

Ontario	$26,539,342
Quebec	18,281,878
Nova Scotia	693,403
P.E.I.	37,428
New Brunswick	712,187
British Columbia	4,150,852
Manitoba	3,423,623
Alberta	1,445,075
Saskatchewan	872,761
Yukon	40,503
Total	$56,197,056

Customs Probe Brings Millions Into Treasury

Large sums of money are being recovered as a result of the work of the Royal Commission investigating customs matters in various parts of Canada.

One importer has paid into the government treasury $70,000 on items which had been wrongly declared over a period of four or five years. Several other amounts ranging as high as $50,000, have been collected in a similar way. It is expected that during the present year the amount recovered will run into a few million dollars.

The information leading to the recovery of these items has been secured through examination of the books at various ports of entry and through information furnished by competitors who have been observing the law and who feel that they have been operating at a great disadvantage through competition with firms, who have been making wrong declarations and thus getting goods in at a lower rate of duty than should have been paid.

The commission will resume its work at Vancouver next week when they have completed the work there will move eastward. It will probably be engaged steadily at this work until the summer.

Do Preferred Shareholders Stand to Gain From Deal?

THEY GIVE UP MUCH

On Other Hand, They Are Offered Immediate Resumption of Dividend Payments

From Our Own Correspondent.

MONTREAL.—There is some feeling in investment circles that the offer to the preferred shareholders of Tooke Brothers will bear more than passing scrutiny. The directors of the company have called a general meeting in February at which it is proposed to liquidate the preferred dividend arrears by a distribution of new common stock to the preferred shareholders and at the same time to scale down drastically the holdings of the common shareholders.

The present capitalization of Tooke Brothers is as follows:

*9,850 shares of 7% preferred	$985,000
6,500 shares of common	$650,000

*35 per cent. in arrears at Nov. 30, 1926.

One New for Two Old

The new capitalization calls for the authorization of 10,000 shares of no par value common stock of which the preferred shareholders will receive 4,925 shares—one new common for every two preferred shares held. The common shareholders are to receive two new common for every five previously held. There will remain in the treasury 2,475 common shares which will be available for the future requirements of the company. The preferred capitalization will remain unchanged.

While the scheme has met with the unanimous approval of the directors of the company who no doubt represent the control of all the shares, nevertheless there are several very interesting points in connection with the exchange which are well worthy of note and which should not escape the attention of the shareholders before they cast their votes at the forthcoming special general meeting.

Much to Gain—And Lose

By accepting the plan which has been proposed, the preferred shareholders have several things to gain—and several to lose. The value of their preferred shares should appreciate on the market, for the management has declared that it is its intention to declare preferred dividends for the quarter ending March 31, provided the plan is accepted. The holders of the senior securities gain also 4,925 new common shares; the value of these is problematical. And finally the holders of the preferred shares will gain a greater say in the management of the company through holding a larger proportion of the total shares outstanding.

It is worth while to try and summarize what these benefits to the preferred shareholders mean on a dollars and cents basis so that they may be comparable to the claims which the preferred shareholders are asked to forego.

Earning Dividends Anyway

In the first place, the senior stockholders are promised the resumption of their 7 per cent. dividends accruing from the first of the current calendar year. But some investors feel that this is no real gain, for during the last fiscal year the earnings of the company were sufficient to meet the preferred dividend requirements in any event.

This year earnings are, it is understood, being maintained at about last year's level so that it is said that the resumption of preferred dividends was merely a matter of time in any event and in no way dependent on the carrying out of the present re-capitalization plan.

If the company can afford to pay preferred dividends commencing in

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Sifton Hurls Wrench Into Carillon Works

Indicates That Interests Behind Georgian Bay Ship Canal Now Ready to Begin Project — If Allowed by Parliament Would Hold Up Development

From Our Own Correspondent.

MONTREAL.—An obstacle of no mean order appears to have sprung up in the path of the joint development of the Carillon Falls power site on the Ottawa River by the Quebec power interests and the Ontario Hydro-Electric Commission.

The obstacle is the charter of the Georgian Bay Canal project, which has been mooted for many, many years. The canal project includes the idea of a canal from the Georgian Bay direct to Montreal, thus shortening the grain haul and at the same time covering the development of the Carillon site.

It is generally thought that such a scheme is quite uneconomic and would never really be undertaken.

Nevertheless, it has the backing of Harry Sifton, of Toronto, and his colleagues. Amongst the colleagues, no doubt, is included no less a person than Sir Clifford Sifton, Harry's father and a staunch Liberal, whose views must have large weight with the cabinet.

Large Power Producers Interested

Shawinigan, Montreal "Power" and the Ontario Hydro-Electric Commission interests are combined in a company known as the National Hydro-Electric Company. This company's lease of the Carillon site expires May 1, next; this coincides with the date at which the charter of the Montreal, Ottawa and Georgian Bay Ship Canal expires. This throws into relief the conflict of interests between those behind the Georgian Bay project and the associated power interests.

In the meantime, Harry Sifton, of Toronto, has intimated that he and his colleagues will proceed with the Georgian Bay Canal scheme, which would probably, hold up the Carillon power scheme, if carried out.

However, there are factors in the situation which are very favorable to the power interests, for nothing can be done on the Georgian Bay scheme until the plan of development is approved by the Federal Government and the latter is under no compulsion to approve of any plans whatever. The charter of the canal project calls for its completion by 1933. It is understood that at the moment some sketchy plans are already before the government and it is thought that these have been filed only to hold up the Carillon scheme. The canal interests, to hold up the Carillon project, would have to obtain an extension of the date at which work must be commenced.

Governments are Agreed

However, if the government gives its approval to the Georgian Bay canal scheme, the company would probably immediately undertake the development of its canal at Carillon and also carry out a power development there, which would work no great hardship on the country, but would not be welcomed by the various interests behind the National Hydro-Electric Company.

There is another feature to the tangle. Not only are the Ontario Hydro-Electric Commission and the Quebec power interests working in harmony on this project, but also the governments of Ontario and Quebec are in complete accord regarding the development of the site by the National Hydro-Electric Company. Therefore, it seems that the National Hydro-Electric Company has the weight of public opinion behind it—nevertheless, the Sifton interests, could, if they so desire, probably prove no mean obstacle in the path of the National Hydro-Electric Company's project at Carillon.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Western Farm Revenue Close to Half Billion
Further Reduction in Federal Taxes Possible
Quebec Plans Extensive Industrial Development
Mining on Eve of Important Expansion

ESTIMATING buying power of the public is a somewhat difficult matter, but with last year's returns completed for most productive industries, it is now possible to gauge it with some degree of accuracy. Early last month, the Financial Post Survey announced that the per capita revenue of Canadians for 1926 was as great if not greater than in the previous year and that there would be no let up in buying during 1927 insofar as it was possible to judge. Since then estimates have been prepared by other authorities bearing out this statement. The latest of these is that of the Winnipeg Free Press which, however, only covers revenue received by farmers in the prairie provinces. The value of farm products in 1926, as estimated by the Free Press, is $482,322,017 as compared with $538,397,170 for 1925. In compiling this estimate, the value of grain was based on inspections up to December 21 last. The principal items of revenue, together with comparative figures for the preceding year, are as follows:

	1925	1926
Grains	$392,496,147	$338,189,639
Dairy	57,801,164	57,692,967
Livestock	52,926,792	55,459,962
Poultry	1,261,264	1,620,463
Honey	659,998	579,787
Wool	555,000	700,000
Roots	32,803,000	33,971,000

Thus it will be seen that the financial position of the Western farmer compares satisfactorily with that of 1925 and it is anticipated that the sustained buying power of the prairie provinces will have a stimulating effect on industrial operations in the East.

Tax Cut Likely

It now appears likely, as a result of the increase in ordinary revenue and decrease in expenditures of the Federal Government, that further reductions in taxation may be expected when the next parliamentary budget is brought down. Last year the cut in sales and income taxes, as well as the abolishment of the receipt tax, had a stimulating effect on business through putting into circulation money which would otherwise have gone into the government coffers. It is obvious that high taxes discourage business and that low taxes are a stimulus. Should the Federal Government pass along to the people further concessions in the way of lower taxes, the effect will no doubt be as beneficial as it was in the past year.

This pleasing prospect has been brought about by the material increase in our foreign trade, which has been responsible for heavier customs and excise collections. During the nine months ended December 1st last, ordinary revenue totalled over $302,000,000. For the same months of the preceding fiscal year, the total for ordinary revenue was about $388,000,000. Ordinary expenditure showed a decrease of $4,408,459 for this year when the two nine months periods are compared.

Freight Rate Appeal

Considerable importance is attached to the decision to be rendered by the Federal Cabinet on the appeal of British Columbia, Alberta and Saskatchewan for removal of alleged discriminatory rates on grain and flour, railway freights on these products are undoubtedly lower in Canada than in the United States, where traffic density is considerably greater. Consequently both the Canadian National and Canadian Pacific are opposing the application of the western provinces, but should the decision go against them, steps will probably be taken to lower expenditures on equipment and maintenance, etc., in order to make up for the loss in revenue.

During the past year, both companies experienced an unusually heavy volume of traffic and combined earnings were probably greater than for any other similar period in some years. In the first week of this year, the Canadian Pacific started with a substantial increase in traffic earnings, as compared with the corresponding week a year ago. This is the more significant for the fact that the increase follows an unbroken succession of declines for the four weekly periods of December.

It is understood that the provincial government of Quebec is preparing to make additional concessions towards inducing foreign capital to exploit its natural resources. The Speech from the Throne, to be delivered at the opening of parliament, according to report, portends the announcement of the co-operation of the provincial government in some northern Quebec developments of considerable magnitude, probably in the Lake St. John district where the American Aluminum Corporation have extensive holdings. This follows the practice of the different governments in recent years in aiding responsible undertakings.

Mining Operations Active

Mining developments in northwestern Quebec and Northern Ontario are being watched closely at present and should result in the next two or possibly three months come up to expectations, additional money will be available for this work. Large sums have already been poured into northwestern Quebec and the Ontario mining fields and while there have been no setbacks to speak of the majority of investors or speculators are now awaiting news of a major strike before putting additional capital into mining operations. To date many millions of dollars have been spent on supplies, equipment, and labor in exploiting claims and this additional buying has been no small factor in contributing to present industrial prosperity and relieving unemployment.

Business and industrial conditions during January do not show any pronounced change from the previous month's activities as a rule and a movement one way or the other in any of the key industries is of no particular significance. This is the usual period of the year, when the majority of companies are stock-taking or have closed down their plants for overhauling. It is also a little early to expect announcements regarding new developments and operations for the time being are more or less confined to disposing of stocks on hand and "clearing decks" in preparation for spring and summer business.

DIVERSIFICATION BRINGS PROSPERITY TO MANITOBA FARMS

United Farmers President Sees Greater Things To Come

By A. J. M. POOLE,
Provincial President, United Farmers of Manitoba.

In the season which has just closed we in Western Canada have suffered much disappointment. The early promise of a bountiful, debt-paying crop was not, owing to the unfavorable weather which prevailed during harvesting and threshing, entirely realized, and these conditions have been reflected in the deteriorated quality of our grains. But though disappointed we are not discouraged.

Our experience in 1926 has brought home to us, perhaps more forcibly than any of recent years, the real necessity for greater diversification in farming operations, the adoption of a diversified program on every farm in the province. A farm without a few good cows, one or two brood sows, some poultry, a garden and a little fruit is not a real farm. When farm business is good these more than feed the family and leave the money crop free for other uses; when farm business is bad they feed the family and save the day.

Diversification Has Good Start

To-day agriculture in Manitoba is in a transition stage. We are passing out of the period in which grain was the major, if not the sole, crop. Diversification has already got away to a good start. Cattle-raising, the production of milk, butter, cheese, eggs, poultry, honey and other farm products are in a fair way to challenge the title grain growing has hitherto held.

What will the next fifty years bring to our farm people? Compared with most other food-producing countries we in Canada occupy a strategic position of considerable value in relation to the great consuming markets. To-day the bulk of our exports go to the British and European markets. But right at our doors we have a great nation numbering one hundred and twenty millions which is increasing at the rate of nearly two millions a year. Already the food exports of the United States are shrinking. At no distant time it must become an importing country, whose people will require to buy food abroad in exchange for their manufactured products. Looking at these facts, it becomes difficult to visualize the probable developments of the next fifty years in the Canadian West. But it will be strange if our prairies do not become the granary of the North American continent and our farms send to the south great quantities of food of many kinds.

What then are the objectives of agriculture? Manitoba? We must make quality the keynote in our productive activities. We must foster the growth of the spirit of co-operation and of co-operative institutions.

We must make the voice of agriculture heard in national affairs to the end that agriculture may be recognized as the fundamental activity of our people and may be relieved from the burdens unjustly placed upon it.

We must take measures to increase the density of our rural population rather than to open up new lands for speculative purposes.

We must make farming, not merely a profitable and attractive industry, but a manner of life to be loved for its own sake and sought for its natural advantages.

Southern Alberta Produces 10% of Canada's Wool Clip

Over a million and a quarter pounds of wool, or more than ten per cent. of Canada's total clip, were shipped to the Canadian Co-operative Wool Growers from the Lethbridge district in Southern Alberta alone this year, and now, as a result of the experimental work conducted by the Dominion Government Farm at this point, still greater production is expected in the future. In tests extending over the past five years, W. H. Fairfield, in charge of the Lethbridge Station, has proved conclusively that it pays, and pays handsomely, to pasture sheep on the cheap land in the mountains during the summer, bringing them down to the irrigated farms for wintering and finishing. On a flock numbering approximately 1,000 head, and largely made up of Merinos, a profit of over $7,000.00 was reported a year ago, and during the past five years profits have averaged close to $5,000.00.

Mr. Fairfield points out that it is quite possible to produce enormous yields of alfalfa on the irrigated farms. This makes splendid sheep feed, with the addition of millfeeds and screenings. Ultimately, Mr. Fairfield hopes to see a large proportion of the Alberta grain cleaned and milled in the Southern districts of that Province, which will result in still larger quantities of cheap concentrated feed being available.

INCOME TAX PROBLEMS

Loans to Shareholders Taxed Once Only

By an Income Tax Expert
PROBLEM No. 8.

By an amendment to the Income Tax Act last year it was enacted that where a company has on hand undistributed income, i.e. a surplus, then if, (a) a loan were made to a shareholder, or (b) the common stock were redeemed, or (c) stock were redeemed at a premium, then the shareholders would be taxed on the amount of cash received in one of these ways. The Act set out that they "shall be deemed to have received a dividend."

At once it will be observed that from an accounting point the actual surplus might not be disturbed by a loan or redemption of common stock at par. The surplus would be affected only by redemption of stocks at a premium. For the cash going out on loan there will be an asset set up by way of receivables or note; for cash to shareholders for stock redemption, an equivalent reduction on the liability side to shareholders. It is only when the premium is paid out of earned surplus that the surplus account is reduced and if the premium is paid out of a realized capital gain, even then the earned surplus is not disturbed.

Yet Taxes Are Paid

Even so, taxes have been paid by the shareholders effected in though the surplus remains intact in the company.

The question that arises is what if the company voluntarily winds up the following year and actually distributes its surplus. How is double taxation to be avoided. The law provides that "on the winding up of a business the distribution in any form of the property of the company shall be deemed to be the payment of a dividend to the extent that the company has on hand undistributed income."

Is the surplus to be taxed twice —once on a fiction as to distribution and again on an actual distribution through winding up?

This is a question that must be determined according to two general standards. First is the lending company a one man company, and second, are the shares reasonably widely held?

If it is a one man company then, following a very recent English decision, the loan, though a loan in form, is in substance not a loan at all but regarded as a dividend and should be taxed accordingly, without the aid of the Income Tax Amendment and the company is required to write its surplus down accordingly.

All Loans Are Taxed

The Dominion legislation, however, has gone further. It has taxed, as receipt of a dividend, a loan made by a company to any one or more of many shareholders. Then knowing that the surplus should be effected in some way, added the conclusive, though extraordinary clause, that "the undistributed income of a corporation shall be deemed to be reduced by the amount deemed to be received by the shareholders as a dividend" by virtue of the loan.

As to (b) and (c), just as in (a), equivalent amounts to those deemed to have been taxed under the fiction intimated are exempt from tax as and when the surplus is actually distributed.

Accounts should maintain adequate records to reflect just such corporate and tax transactions.

Toronto is assured of 96 conventions this year, that number being already reported by the Toronto Convention Association.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1927	1926
Car loading, week Jan. 1	48,594	43,637+ 11%
Year to date	3,258,390	2,989,813+ 9%
Merchandise shipped, year to date	852,152	793,415+ 7%
	1926	1925
Building permits—November, (63 cities)	9,968,937	7,988,765+ 24%
Construction contracts awarded, year	372,947,900	297,973,000+ 25%
Railway Earnings—Eleven Months—		
C P. R. gross	180,233,610	163,537,400+ 10%
C. P. R. net	43,328,944	35,327,983+ 22%
C. N. R. gross	242,854,988	221,119,532+ 9%
C.N.R. net	41,451,628	26,916,205+ 64%
Pig Iron Output—tons, November	52,345	68,535— 23%
Steel Ingot production, November tonnage	54,311	73,205— 25%
9 months to November 30	718,395	690,342+ 4%
Employment—December index	101.1	95.3
Newsprint production—November tonnage	164,798	132,147+ 24%
Automobiles produced—11 months to November 30	197,364	153,317+ 29%
Immigration, 11 months, to November 30	130,569	80,904+ 62%
Business failures—No. of firms,, 12 months	2,196	2,371— 7%
Liabilities	37,082,882	45,767,8,25— 19%
Imports of key commodities, 12 mos. ending November 30—		
Rubber (raw, in pounds)	46,265,412	42,521,452+ 9%
Cotton (in pounds)	138,413,094	116,312,505+ 19%
Crude petroleum (in gallons)	675,856,465	510,045,574+ 33%
Exports of key commodities, 12 months ending November 30—		
Canned salmon, cwt.	633,286	735,985— 14%
Newsprint, cwt.	34,254,360	27,607,171+ 24%
Wheat flour, bbls.	10,614,111	10,104,787+ 5%
Wheat, bushels	262,245,483	195,183,664+ 34%
Grain receipts, Aug. to Dec. 31	235,880,698	279,002,706— 15%
Bank clearings, year	17,651,333,319	16,731,441,880+ 5%
Saving deposits, Nov. (chartered banks)	1,367,295,012	1,298,831,228+ 5%
Current loans, Nov. (chartered banks)	986,400,696	909,977,043+ 8%
Exports, 12 months to November 30	1,305,715,729	1,219,861,088+ 7%
Imports, 12 months to November 30	1,003,485,204	874,221,547+ 14%
Balance of trade, 12 months to November 30	302,230,525	345,639,541— 12%
Price level, November index, 236 commodities	151.5	161.2
Pig iron (Number 1 foundry) Dec. 30	25.80	Nov. (Aver.) 26.85
	1927	1926
Cattle—Good, Toronto, Jan. 10	7.10	Jan. (Aver.) 6.74
Wheat, No .1, Nor. Winnipeg, Jan. 10	1.33	Jan. (Aver.) 1.98
Hogs—Select, ,Toronto, Jan. 10	10.50	Jan. (Aver.) $13.82
Bond sales, 11 mos. to Nov. 30	543,241,995	443,577,564+ 22%

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FOREIGN TRADE SETS NEW HIGH RECORD VALUE

United Kingdom Supersedes States as Our Best Customer

Canada's trade with other countries during the twelve months ending November last, amounted to $2,324,015,408, as compared with $2,106,383,469 in the corresponding period of the year previous. The most noteworthy change took place in imports, which increased from $874,221,547 in 1925 to $1,003,485,204 in 1926. Exports on the other hand only increased from $1,232,161,922 to $1,320,530,204. Thus the favorable balance of trade has fallen from $357,940,375 to $302,230,525. This is reflected in the much larger customs returns which have been reported from month to month.

While all the principal groups of imports showed increases as compared with the previous year, a change took place in ranking of the different items according to their value. Iron and its products, for the first time in many years, took precedence over agricultural and vegetable products as the leading group, imports having amounted to $217,479,818, as compared with $210,609,990 for agricultural products. In the previous year, the latter occupied first place by the comfortable margin of approximately $25,000,000. The heavier importations of iron are accounted for by increased importations of automobiles, rolling mill products, farm implements and machinery.

Most Lines Showed Increases

With the exception of animal products, fibres and textiles, and non-ferrous metals, all classes of exports of Canadian products made a better showing during the year just closed than in the preceding twelve months period. Exports of agricultural and vegetable products increased nearly $100,000,000; wood and paper, $14,000,000; iron and its products, $10,000,000; non-metallic minerals, $2,000,000; miscellaneous, $2,000,000. The heavy increase in agricultural and vegetable products exports, was almost wholly attributable to the greater value for grain and products.

Although labor troubles disturbed trade relations between Canada and the United Kingdom the setback due to this cause was less harmful than had been generally expected, judging from the returns. In the year ended November last, which wholly covers the miners' strike, exports to the Old Country increased from $458,036,670 to $485,998,740, while imports increased from $160,884,787 to $163,885,523. Thus the United Kingdom was our best customer during the year, superseding the United States which had hitherto held this position. Trade with the latter country amounted to $1,136,277,734, representing imports to the value of $666,128,368 and exports of $470,149,366. In the previous year imports were valued at $570,380,841 and exports $469,741,324, making a grand total of $1,040,122,165.

BUILDING VALUE SETS HIGH MARK

Capital Expended To-day on Works Which Rapidly Pay Their Way

Building contracts awarded in 1926 were the largest in value of any year since 1913 and with the exception of that year and 1912, the greatest ever recorded in the history of the construction industry. Last year, according to MacLean's Building Reports, Ltd., the value of new building undertaken was $372,947,900, as compared with $297,973,000 and the record of $463,083,000, established in 1912. Contrasted with the before-the-war railway building era, the report states that the capital expenditures of to-day are in a very high degree converging on works which almost immediately pay their way and add substantially to the national income.

Activity in all provinces was more pronounced than in the preceding year, with the exception of Nova Scotia, which recorded a crop of some $700,000 in value. Quebec was the leader in the amount of new building, while Ontario was second on the list. British Columbia came third, followed by Manitoba, Saskatchewan, Alberta, New Brunswick, Nova Scotia and Prince Edward Island. The following table shows the value of contracts issued in each province during the past two years:

	1925	1926
B. C.	$21,458,000	$27,176,000
Alta.	8,868,000	10,058,000
Sask.	4,923,000	14,251,000
Man.	13,093,000	19,186,000
Ont.	121,248,000	141,929,000
Que.	124,509,000	151,934,000
N. B.	4,373,000	4,593,000
N. S.	4,155,000	3,446,000
P. E. I.	345,000	374,000

Details of contracts awarded, as shown in the report, reveal an increase in money invested in industrial construction nearly double what it was in 1925. A total of $76,690,000 so expended tells in no uncertain manner that the development of Canada's vast resources has started in earnest. The pulp and paper, power and mining industries accounts for the major portion of industrial construction, although many other important contracts were awarded covering a wide diversification of projects and indicating general development.

More Residences Built

An increase of 13 per cent. is shown in the value of residential and apartment house construction undertaken last year, as compared with 1925. Four times as much money was invested in hotels as in the previous year. School building was moderately active and the construction of theatres revived, after being a depression for the past four years. New garages constructed showed a healthy increase, while hospitals and offices were more numerous than in the preceding year, but not as many as in 1924. Important rail and harbor terminal warehouses in Toronto and Montreal contributed substantially to the total. Construction of bridges fell off precipitatively, whereas road construction was practically level with 1925.

Plenty of money available at low cost, lower prices for materials, and the need for new residential and business building featured building operations in the past year and insofar as the first two causes are concerned, present indications point to no material change for some time to come, so that, providing demand continues, construction should be comparatively active in 1927.

Wanted Gangplank and Got It: J.W. Ross Has Unique Souvenir

Montreal Accountant Now Wonders If He Must Erect Monument in Nova Scotia

Probably there is only one man in Canada who ever asked Santa Claus for a gang-plank and he got it. The man who wanted such an unique souvenir was John W. Ross, Montreal accountant, and the man who played Santa Claus was Robert J. Nelson, of Halifax, general manager of the Halifax Shipyards.

Last September, the new Canadian Board of Trade held its first national

ROBERT J. NELSON.

conference at St. John. The delegates, prominent business men from every part of Canada, took advantage of the opportunity to see something of the Maritime provinces. A brief tour of the principal centres was arranged and this tour took the party from St. John to Digby, N.S., by boat.

The Bay of Fundy lays no claims to ranking with the English Channel or St. George's Channel as one of the roughest spots of water on the face of the globe, but when it decides to be nasty it can upset the equilibrium and disturb the composure of the hardiest citizen from an inner province. The day chosen for the trip across the bay proved to be one of the occasions when the Fundy was more irascible than usual. By the time, the fish wharves of Digby hove into view, the members of the board of trade party were 100 per cent. casualties. Bret Harte once said something like this:

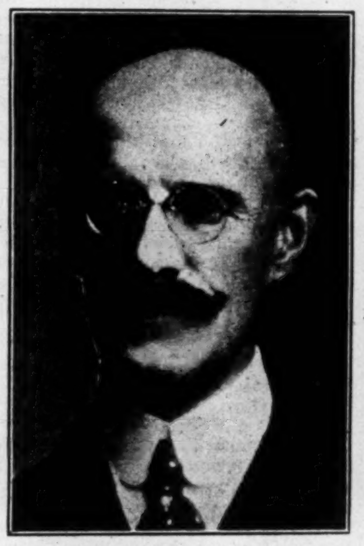
"......and he crumpled on the floor. And the subsequent proceedings interested him no more."

That was each man in the Board of Trade party.

Nevertheless they pulled themselves together and by the time their train from Digby pulled into Halifax they were mildly prepared for the feast-making and welcoming of that hospitable citadel city. It fell to the lot of Mr. Ross to bespeak the caravan's appreciation of the few kind words of greeting from the Blue Nose notables. He thanked them for their kindness; for their speeches and for the souvenirs that various of their manufacturers pressed upon them.

"But," he said, "If I were to be allowed to choose the souvenir that I would take home with me and cherish for ever it would be the gangplank that put us on the shore at Digby. And if I were permitted to enter into a little real estate transaction, I should like to purchase the six by ten patch of solid soil where that gangplank rested and there I would erect an eternal monument to the honor of Terra Firma."

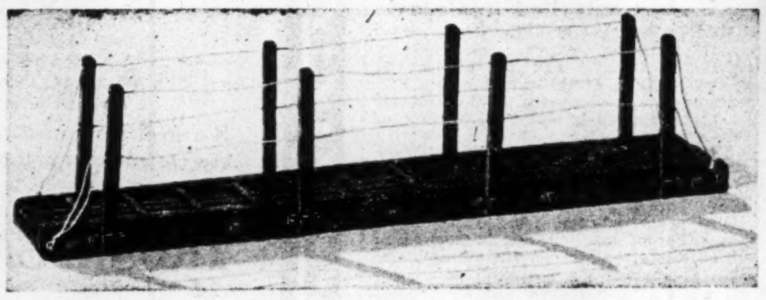
Mr. Ross's words were not forgotten. When the executive of the Dominion Board of Trade met in Toronto this week, S. B. Gundy, the president, presented to Mr. Ross, who is chairman of the finance committee, a model of the very gangplank that carried the party from the bouncing basin of the Fundy to the solid rock



JOHN W. ROSS.

of Nova Scotia. The gangplank had been built by the Halifax Shipyards and was a gift from R. J. Nelson, general manager of the Shipyards, who, as one of Halifax's prominent citizens, had been in the group that welcomed the travelers.

Now Mr. Ross is wondering if he has to go through with the monument idea.



Model gangplank presented to Mr. Ross. It is about fifteen inches in length.

Hope to Break Coal Record, N.S., in 1927

SYDNEY.—Nova Scotia miners look forward confidently to breaking in 1927 the production record of 5,400,000 tons attained during 1926. This is the largest output by these pits since 1916, and the total for the whole province reached 6,100,000 tons.

Sydney Mines, long depressed by industrial woes, is cheered greatly by the news that recent adoption of the longwall mining method will mean a new lease of life for Princess colliery, producer of the famous "Old Mine Sydney" brand of fuel.

Since 1876 this pit has raised over 10,000,000 tons of coal, and the longwall work is now being done three miles out under the Atlantic. John Elliott, famous engineer of the old General Mining Association insisted in 1868 that there was valuable coal to be won on this spot, but with the crude methods then in vogue it took him eight years to get down 680 feet to the seam because of the water that seeped into the shaft from the sea. Courage and vision won.

Big Group After Western Canada's Phone Systems

No proposition has been made to the Manitoba Government to purchase the government telephone system, according to J. E. Lowry, telephone commissioner. It is considered possible, however, that some offer is likely to be made. The British Columbia Telephone company has sold out to a large American and British telephone organization, and a proposal, said to be from the same principals, was made to the Alberta government to take over its telephone system. It is said the object behind the purchases of the B.C. phones and the offer made to Alberta is to obtain control of a telephone system across Western Canada, linking them all up together into one gigantic system.

Hon. V. W. Smith, minister of railways and telephones in Alberta, issued a statement dealing with the government's refusal to negotiate. He said: "That considerable interest in the province of Alberta continues to be shown by outside capital, was the opinion expressed by the premier in a recent interview. He pointed out that besides the proposed development of power schemes in the South, and the continued interest in our mining areas and oil development work, the government had been recently approached by large interests to see if the government was prepared to sell the provincial telephone system to private enterprise. In this connection it may be pointed out that the British Columbia telephone system has recently been acquired by powerful interests from the British Columbia Telephone company."

The minister declined to disclose the source from which the proposal came, but stated that the government had quite definitely declined to consider the sale of the plant.

Bank of Montreal Stock Leaps to Record Levels

From Our Own Correspondent.

MONTREAL.—The shares of the Bank of Montreal have leapt into investment prominence by breaking new high ground for all time. The present price of around 290 represents a material increase in price from the low of 1926 of 253. One result of the appreciation in the price has been to direct attention to the stock and to start conjectures regarding a possible increase in the capitalization which would mean an offering of stock to the shareholders at below prevailing market levels. It is possible that the bank may have some such step in view. At 290 the shares yield the investor about 4.83 per cent.—a yield which indicates that probably some constructive step is being mooted.

Grain left Montreal for seventeen different countries in the 1926 season. Great Britain imported to the heaviest extent.

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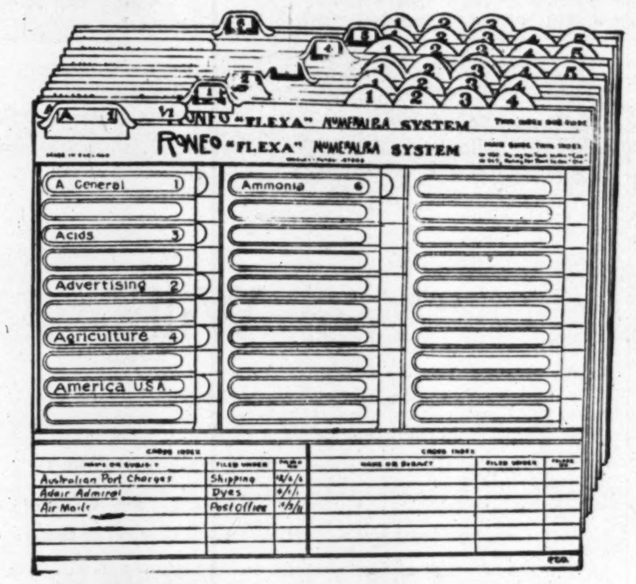

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TORONTO 2

Stock Market

BANK, INDUSTRIAL STOCKS STRONG; MINES UNCERTAIN

Nickel is One of Leaders With Range of Five Points

MARKET INDICATOR

20 Industrial Stocks		
Week of Jan. 12	98.6	95.7
Week of Jan. 5	98.3	95.4
Month of Jan., 1926	83.1	76.0
9 Bank Stocks		
Week of Jan. 12	$237	$233
Week of Jan. 5	233	230
Month of Jan., 1926	232	228
10 Public Utilities		
Week of Jan. 12	102	99
Week of Jan. 5	101	99
Month of Jan. 1926	96	91

International Nickel was the outstanding stock market interest of concern to Canadian investors in the week. The general opinion is that Nickel is getting on solid ground after some difficult times and while there are groups which view the stock merely as a speculation, there also is a considerable investment interest which has noted the substantial progress made in the last year or two and which is bullish as to the future of the company. Large reserves are being built up and while dividends may not be an immediate prospect, the stock appeals to many for a moderately long haul. The range during the week was 38⅝ to 43⅝.

Abitibi, in the pulp-and-paper group, was firm on the understanding that earnings have been satisfactory. Laurentide was active and firm.

Interest in the liquor issues has waned somewhat, Hiram Walker, selling off to 31½. Industrial Alcohol also was down with G. & W. The brewery issues also were quiet.

Steel of Canada has been doing well with the approach of the date of publication of the annual report. It is stated that the substantial surpluses shown in the annual statement of a year ago will be higher. There are various rumors of possible further distribution of profits but there is actually no official reason for the report except what may be gleaned from the healthy balance sheet.

Canadian Canners preferred at around 80 was a fairly active stock. Another in the food group that moved freely was City Dairy.

In the season of annual meetings of shareholders, the stocks of banks were strong. Every report so far issued has shown excellent positions and bank officials have expressed confidence in the immediate future both for the institutions they represent and the country as a whole.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	9	.	.	9
Paper	4	8	2	14
Steel	14	6	18	38
Foodstuffs	12	13	15	40
Utilities	8	9	11	28
Tractions	7	3	4	14
Textiles	8	1	5	14
Industrials	21	9	20	50
Total	83	49	75	207

To Pay 4 Per Cent. Cockshutt Preferred

Indicative of substantially improved business during 1926, is the declaration of a 4 per cent. dividend on the preferred stock of Cockshutt Plow Co., Brantford. The dividend is payable February 8th to shareholders of record, January 31st.

Cockshutt 7 per cent. preferred was 56 per cent. in arrears as of December 31st and there have been rumors of a revision of the capital structure to take care of this back dividend. There has been no official confirmation of plans concerning this, however, and if any are contemplated it is unlikely announcement will be made prior to Col. Henry Cockshutt's return from Europe some weeks hence. The annual meeting of the company will not be held until early spring.

CHRISTIE BROWN REPORT TO SHOW BIGGER EARNINGS

And 1927 Begins With Prospects Bright For Biscuit Company

Although the annual meeting of shareholders of Christie, Brown & Co. is not scheduled until April, it is expected that figures will be available within a week or two which will show what progress the company has made in the year ended December 31st.

Investors who have watched events since the old-established business was incorporated under a Dominion charter in 1925, and especially since the listing of the common shares on the New York stock exchange in December of that year, are predicting gradual yet substantial growth in assets and earnings, and probable increase in the dividend rate on the common shares.

Retires Bonds Rapidly

Concrete evidence of the progress Christie, Brown & Co. has made is that of $1,000,000 ten-year bonds issued in May, 1925, only $600,000 were outstanding at the end of 1926, with the probability that much of the remainder would be retired before maturity. The common shares are on a dividend basis of $1.20 annually. In the first nine months of the year the earnings were equivalent to $1.46 per share of common. The gross profit for the first nine months was $549,001, as compared with $544,499 in the whole of the previous year.

At the end of 1925 there were 78,558 shares of common outstanding and $881,400 of the 7 per cent. preferred of $100 par value. The preferred stock is callable at 115 and accrued dividends, but there is a privilege of a conversion to common on the basis of three for one.

The prevailing price of the common is indicative of the potential value of the conversion privilege as well as a reflection of investors' views of earnings possibilities.

The statement for 1925 showed total assets of $3,043,202, substantially more than the book value of the outstanding stock and bonds, while current assets were more than four times the current liabilities. The trade marks, formulae and goodwill had been written down to $1.

1927 Starts Well

Business throughout 1926 has been very good and it is said that 1927 has begun even more favorably. The history of the business covers more than three-quarters of a century. Its products always have stood well with consumers and the trade.

High standards which distinguished the business from its inception have been maintained since there has been a public investment and aggressive sales and merchandising policies and improvements in manufacturing methods have been showing results in operating economies and increased demands for the old staple products and the newer lines which add so materially to the attractiveness of the retailers' display racks.

The company's factory covers a whole city block in Toronto, not including stables and garages which are nearby. In the 300,000 square feet of floor space is the most modern equipment for the successful manufacture of biscuits and cakes and the economical packaging and shipping. The factory is excellently maintained and besides the efficient machinery actually used in the manufacturing processes, there is much auxiliary equipment.

These latter include a complete laundry with drying equipment, furnishing all employees with frequent changes of outer garments, a power plant, a machine shop and wire stitchers for making containers (caddies).

	Common High	Common Low	Preferred High	Preferred Low
1925	65	31¼	118	109½
1926	63½	21	...	...
x1927	38	38	...	...

xTo Jan. 11.

To Sell Monomark

Idento Co. is a company which has the Canadian and United States rights to the commercial and individual monomark which in recent months has been attracting attention in Britain.

DEFENSE OFFERED FOR IMPERIAL OIL SECRECY METHOD

Shareholders at Meeting Will Hear No Report of Year's Earnings

REASON GIVEN FOR IT

Politicians in South America Would Then Find Means of Mulcting Company, is One Explanation

Annual meeting of the Imperial Oil Co., which will be held in Toronto on January 27th, is awaited with unusual interest, although the public and the shareholders will be vouchsafed no more information than has been the custom in this enterprise. The annual earnings of Imperial Oil and its subsidiaries are not revealed. As usual, however, copies of the remarks of the president, C. O. Stillman, will be issued. These will be a fairly comprehensive review of the activities of the company, with nothing definite said as to net earnings or the financial success of any individual enterprise on the part of the company.

Dividends are on the basis of $1 per year share of common of no-par value. This is equivalent to $4 annually on the shares of $25 par value on which $3 was paid prior to the conversion of the stock into shares of no-par value. There are 6,511,527 shares outstanding; 8,000,000 have been authorized.

No Basis for Rumor

The fact that Imperial Oil earnings only can be inferred from the dividend payments which have been increased steadily over a number of years, makes the stock market rumors even less tangible than is usually the case.

There is utterly no confirmation from official sources or otherwise of reports that something nice is in store for shareholders in Imperial Oil. The more conservative stock brokers are recommending the stock for a long haul, on the fair assumption that, whether or not anything in the way of increased dividends is immediately in prospect, the dividend record over many years makes the investment attractive, even if there should be a temporary recession in values, if the annual meeting fails to indicate immediate additional benefits.

Imperial Oil is generally believed to have had a satisfactory year. Returns have begun to come in from the large investment in the Alberta oil fields and the South American business continues to show a profit, it is revealed. However, the Colombian situation has been complicated somewhat, by labor troubles.

Troubles In Hispania

In connection with this South American business, a defense is advanced for the company's policy of maintaining secrecy as to its annual net earnings, either from the domestic or external business. As readers of novels of political uprisings in the Hispanic republics have been told, even so great a corporation as Imperial Oil does not find it possible to carry on its business without conciliation of the local politicians. The explanation, in short, is that if Imperial Oil profits were known in some of the foreign fields in which it operates, the company would be confronted with all sorts of unreasonable demands, either in the way of taxes or backsheesh of some sort.

Another explanation offered is simply that it has not been the custom to make public the annual balance sheet and profit and loss account and it is not necessary to depart from precedent. On the suggestion that relations with the public might be more pleasant if a new policy were inaugurated, the reply came that financial facts concerning Standard Oil Co. of New Jersey are published and it is not apparent that that company is any more popular than others in the Standard Oil group. Standard Oil of New Jersey owns a majority of the stock of Imperial Oil.

It also was suggested that publicity is not in the interest of investors in the company. In two of five recent years, it was said, Imperial Oil has failed to earn its dividend. If this fact had been known to the public at the time, there would have been a slump in the price of the stock and many persons would have sold who should not have sold. Further, lack of publicity averts violent fluctuations in or manipulation of the stock, which is not in the interest of the investor, but aids, rather, the professional speculator.

After all, it is contended in defence of the secretive policy, the shareholders, of whom there are 10.000 registered as well as many more thousands who hold bearer warrants with coupons attached, are the only persons concerned, and they have never complained at the lack of annual financial statements from the company. They have been content to let the company continue on its way so long as its management appeared capable and there were gratifying increases in dividends.

Balance sheets, it was added, are not always what they seem; the appearance of an occasional dishonest one from a company in a shaky position has not forewarned the public. It was better, in the opinion of this defender of the Imperial Oil policy, to trust in a capable management and a blind investment that had paid well over a number of years.

Compares Gas Prices

As for the opinion current among some consumers of gasoline and other oil products that Imperial Oil balance sheets are kept secret because the company does not wish the company to know the range of profit in a gallon of gasoline, the Clarkson report is cited in refutation. This report, transmitted to the lieutenant-governor of Ontario just a year ago, stated that in the five-year period under review, none of the oil companies doing business in the province had made excessive profits.

Canadian oil companies contend that their gasoline prices compare favorably with prices prevailing in the United States. A specific comparison is made between the Buffalo, N.Y., and the Toronto tank-wagon prices.

The Buffalo tank-wagon price is 18.00 cents the U.S. gallon, which is the equivalent to 21.60 cents the imperial gallon. There is a duty of one cent a gallon on the grade of gasoline generally in use in Buffalo and the difference in freight from the source of supply in the United States to Toronto, as compared to Buffalo is .76 cents the gallon. The sales tax is .59 cents the gallon. Thus the total is 23.95 cents the gallon, as compared with Imperial Oil's tank-wagon price of 24.50 in Toronto.

Similarly, the price to the motorist in Buffalo is 21 cents the gallon, or 25.20 cents the imperial gallon. Duty, freight and sales tax brings that price to 27.55. Imperial Oil's consumer price in Toronto is 28 cents, plus the 3-cent Ontario tax.

Manufacturers Terminal Controlled in Ontario

MONTREAL. — Manufacturers Terminal Building, which was recently erected at Ontario and Moreau streets, at the junction of the C.P.R. and C.N.R. railroads, is now controlled by Ontario interests, headed by John W. Gordon, of St. Catharines, Ont.

The board now consists of F. E. Came, Ernest Cousins, H. C. Johnston, of Montreal, and W. C. Brent of Toronto and J. W. Gordon of St. Catharines.

The property consists of a new, modern, fireproof loft building, a portion of which has already been leased, and also of a number of old buildings which are occupied with concerns making railway equipment, and other railway interests. There is also a considerable portion of the land unoccupied available for further extensions.

Tram-Power Liquidates

MONTREAL.—The special general meeting of the shareholders of the Montreal Tramways and Power Company approved the proposal to liquidate the company and for the transfer of the assets to a new company known as the Consolidated Securities, which will operate under a Canadian charter. After the change has been ratified by the courts, the company will go into voluntary liquidation.

Canadian Car Shares Anticipate Large Order

From Our Own Correspondent.

MONTREAL.—It is rumored that the Canadian National Railways will shortly place orders amounting to about $15,000,000 for new equipment. A portion of this order may have to go to the United States, but the bulk of it will undoubtedly be given to Canadian companies, and it is thought that the Canadian Car and Foundry Company will obtain its share of such an order.

In addition, the company expects other substantial orders at a later date. Rumors still are bringing to the fore the old question of the company's German war reparation claims, which, if paid in full, would mean approximately $3,000,000 for the company. These rumors have in part been responsible for the recent rise in price in the shares.

Bank of Toronto Director

The election of Frederick K. Morrow as a director of the Bank of Toronto is announced. He is vice-president of Standard Milling Company of Canada, Limited; a director of Christie Brown & Company, Limited; N. K. Fairbanks, Limited; Gold Dust Corporation, Hiram Walker Limited, and Flour Mills of America, Incorporated.

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Stock Market Record

WEEK ENDING JANUARY 11

	Div. Rate	Yield Jan. 10	High for wk.	Low for wk.	Close Jan. 11	Close Jan. 4	Sales for wk.	Range, 1926-7 High	Low
Banks—									
Commerce	12+1	5.59	234	230	233⅛	231	166	234	214
Dominion	12+1	5.82	223½	217½	223½	217	182	223½	207
Can. Nationale	10	6.23	160½	160½	160½	160	10	170	157
Imperial	12+1	6.01	218	214½	218	215	389	218	200
Montreal	12+2	4.81	291	277	290	274	374	291	251
Nova Scotia	16	5.24	305	300	303	298	275	305	281
Royal	12+2	5.34	262	260	262	260	318	270	248
Standard	12	5.94	202½	196	202½	196	214	202½	189½
Toronto	12	5.10	236	234	236	234	135	236	213
Paper—									
Abitibi, com. (no par)	5	5.74	87	86	87	87½	1015	98	70¼
Do. pref.	7	6.03	116	116	116	113	75	116	106¾
Belgo-Can., pref.	7	6.86	102	101	102	101¾	144	102½	95¾
Brompton (no par)	50c	5.88	35	33¾	34¼	34¾	2639	38¼	26
Laurentide	6	5.50	109	105	108¼	109¾	7283	118¼	81½
Price Bros., com.	2	3.22	63	62	62	63	320	76¾	57
Do. pref.	6½	6.43	102	101	101	101½	125	103½	95
Prov. Paper, com.	6+1	6.00	116½	116	116	116½	50	117	100
Do. pref.	7	6.65	..	...	...	...	...	107	100
Smith, Howard, com.	.	...	64	62¼	64	62	100	67	38
Do. pref.	8	7.69	104½	104	104	106	70	106	92¾
Span. River, com.	7	6.89	102	100	102	101¼	2213	114¾	96½
Do. pref.	7	6.19	113	112	113	113	947	120	108
Wayagamack	75c	1.40	54½	53	54	54¾	430	59½	52
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	3½	¼
Do. 1st pref.	.	...	18	17¾	17¾	17¾	115	30	9
Do. 2nd pref.	.	...	2¾	2¾	2¾	2¾	310	10¾	1
Can. Car & Found., com.	.	...	49½	48½	49	47¾	3330	49½	33
Do. pref.	7	7.67	91½	89½	91	89½	1543	91½	73
Can. Fairbanks, pref.	.	...	80	80	80	60	50	80	60
Can. Forgings, com.	.	...	..	...	...	...	...	17	8
Do. pref.	.	...	..	...	...	...	...	70	41½
C.G.E., com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.16	56¾	56¼	56½	57½	15	60	53½
Can. Locomotive, com.	.	...	42	42	42	39	10	42	35
Do. pref.	7	8.04	87	87	87	86	10	89½	78
Canada Iron, com.	.	...	12	12	12	12	20	12	9
Do. pref.	4	...	42	42	42	44	50	44	39
Dominion Coal	.	...	71½	71½	71½	72	5	72½	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4+2	4.91	122¾	118½	121½	119	2793	122¾	80
Dom. Radiator, pref.	7	6.93	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	25	23	23	21	50	26	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100¼	100
Kelvinator, com.	.	...	12	9⅞	12	10	175	24¼	9⅞
Do. pref.	7	7.86	89	88½	88½	88½	34	95¾	88
McKin. Ind., c. (no par)	.	...	21	20½	21	20	60	31½	15
Do. pref.	7	7.44	94	93¾	94	93¼	55	97½	87
Massey-Harris, com.	.	...	71	69¾	71	69¾	695	73	40
Do. pref.	7	6.76	103½	103½	103½	104	37	104	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	20
Ontario Steel, com.	4+1	6.45	77½	77½	77½	77½	25	78½	60
Do. pref.	7	6.89	..	...	...	...	...	103	98
Page Hersey, com.	75c	5.12	59½	58	58	58½	231	59½	43
Do. pref.	$1.75	5.92	119	117¾	118¼	117¾	557	120	100½
Pressed Metals	.	...	35	34¼	35	35	136	40	30
Russell Motor, com.	1¼	...	..	...	...	...	...	50	39
Do. pref.	7	7.60	92	92	92	91	10	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	15
Steel of Canada, com.	7	5.98	119½	117	118½	119	1622	120	95⅛
Do. pref.	7	5.45	130	128	130	128	84	130	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	20½	20½	20½	19¾	100	26⅝	18
Do. pref.	7	7.95	88	84	88	84	50	92	83
Atlantic Sugar, com.	.	...	30⅛	29¾	30	30¼	1646	32⅞	31½
Do. pref.	.	...	92	90	91	92	125	93	75
B.C. Fishing	5	6.02	84	82½	83¾	85	915	108½	57¼
Can. Bak., c. (no par)	.	...	33	33	33	34	50	37¾	26¼
Do. pref.	7	7.03	99½	99½	99½	99	3	100	92
Can. Bread, c. (no par)	$2.50	2.76	90½	90½	90½	94	20	95	53
Do. pref. (A)	7	6.45	108½	108½	108½	108½	5	112	105
Do. pref. (B)	7	6.76	103⅞	103	103⅞	103½	57	108	96¼
Can. Canners, com.	.	...	27½	22	27½	21½	682	27½	12
Do. pref.	4	5.00	80	76½	79¾	77	4057	80	60
Canadian Salt	8	6.40	125	123	125	125	96	145	123
Christie Bis. c. (no par)	.	...	38	38	38	38	5	63½	31
City Dairy, c., (par $25)	12+1	4.62	87½	79	87½	79	2095	87½	65½
Do. pref.	7	6.08	..	...	...	...	...	116	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	6	3
Do. pref.	.	...	31⅞	31⅞	31⅞	32	25	37	21
Wm. Davies (A) (no par)	.	....	29	28	28½	28	225	37¼	27½
Do. (B) (no par)	.	...	9	9	9	10	25	12	9
Dom. Stores, (no par)	$2.40	3.63	66	65	65	68	22	70¼	56
Inter. Milling, pref.	7	6.66	105	104	105	104	60	106	98½
Lake of Woods, com.	12	7.94	152	151	152	150½	10	175	139
Do. pref.	7	6.08	115½	115	115½	116	20	118	115
Loblaw, com.	$1.00	2.00	50	49	50	50½	60	55	29¾
Do. pref.	7	6.66	..	...	...	...	...	105	100½
Maple Leaf Milll, com.	.	...	..	...	...	...	...	88	50⅛
Do. pref.	7	6.93	101	100¼	101	101¼	52	102	90
Ogilvlie Flour, com.	5	2.43	206	205	205	202	30	206	165½
Do. pref.	7	5.73	122	121¾	122	122	6	125	117
Pure Gold Mfg. (no par)	50c	...	20	20	20	22	100	23½	17½
Shred. Wh., c. (no par)	75c	5.26	57	56¾	57	57	223	59	47½
St. Law. Flour, com.	.	....	31	31	31	32	115	45	26
Do. pref.	7	8.75	..	...	...	...	...	84	79¼
Viau Biscuits, com.	.	...	..	...	...	...	...	28	18
Do. pref.	7	7.91	..	...	...	...	...	89½	85
West. Can. Flour, com.	$1.40	5.82	24	23¾	24	24	155	25	18
Do. pref.	6½	6.50	..	...	...	...	...	100½	97¾
Western Groc., com.	.	...	27	27	27	28	51	34½	24
Do. pref.	7	9.33	77½	74¼	77½	75	183	80	62
Utilities—									
Bell Telephone	8	5.67	141½	137½	141½	137½	382	142½	136
Calgary Power	.	...	..	...	...	...	...	52½	47
Cedar Rapids	.	...	..	...	...	...	...	50	40
Consumers Gas	10	5.78	173	172¼	173	172¼	323	183⅞	170
Inter. Util. (A) (no par)	87½	...	..	...	...	...	...	...	..
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.17	97½	97	97	97½	67	99½	96
Laurentide Power	5	4.16	..	...	...	...	...	130	100
Mackay, com.	7	5.69	124	122½	123	127½	512	138½	121¼
Do. pref.	4	5.61	72	70	70½	70¾	216	73½	68¾
Mexican Light, com.	.	...	29	27	27	29	28	33	27
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr. Cons.	2	...	69¾	68⅝	69¼	68¾	3496	75	59
Montreal Teleg. (par $40)	8	6.40	50	50	50	50	72	51½	47
Nor. Mexico Pr., com.	1	...	42¾	42	42	45¼	195	55	40
Do. pref.	7	8.43	..	...	...	...	...	85	80
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Ottawa L. H. & Pr., com.	6	5.94	101	101	101	100	10	101	92
Do. pref.	6½	6.31	103	102	103	103	41	105½	100
Quebec Power, com.	6	3.03	198	190	198	195	1588	200	118
Do. pref.	7	3.57	..	...	...	...	...	200	109½
Shawinigan	8	2.99	267	264	266½	266	976	275½	167½
South. Can. Pr., com.	2	2.24	89	89	89	90½	55	98	81
Do. pref.	6	5.97	102	100	101	102	343	104½	99
Transportation—									
Can. Pacific Rly.	10	5.95	168	166	167¼	166⅝	138	169½	147
Can. Steamships, com.	.	...	39¼	37	37¼	38½	6135	39¼	29½
Do. pref.	.	...	85½	83¾	84½	84	5406	85½	75
Do. voting	.	...	35	34½	35	34¼	1410	35	11
Do. pref. (old)	.	...	..	...	...	...	...	96⅛	56
Tractions—									
Barcelona (par $50)	.	...	37	37	37	34½	50	40½	26
Brazilian, com.	5	4.65	108½	103½	107¼	104¾	55224	123½	80
Do. pref.	6	5.76	104¾	104	104½	104¾	250	108	97½
Detroit Un. Rly.	.	...	2½	2½	2½	2	5	3½	1
Duluth-Superior	.	...	27	27	27	28	20	33¼	25
Illinois Traction, pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams.	10	5.88	170	170	170	170	90	190	159
Ottawa Traction	4+1	7.81	..	...	...	...	...	74¼	60
Porto Rico Rlys., com.	1	6.66	60	59	59	56	170	60	40
Do. pref.	7	7.67	91⅜	90	90	91¼	57	94½	85½
Twin City, com.	5	7.63	66	63½	65	63¼	1832	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec., com.	1	6.01	66½	61⅝	65	61	6078	66½	45¼
Do. pref.	7	6.82	102½	101¼	101¼	100¾	30	104	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	36	36	36	35	25	49	35
Can. Converters	7	6.93	102	101	102	101	211	104	90
Can. Cotton, com.	8	6.95	..	...	...	...	...	124	113
Do. pref.	6	6.31	95	95	95	93½	10	99½	92½
Can. Woollens, com.	.	...	8½	8½	8½	6	10	8½	4
Do. pref.	.	...	60¼	60	60	60	88	60¼	45
Cosmos Imp., com.	.	...	15½	15	15	15	165	16½	14¾
Do. pref.	.	...	93	92½	92½	92½	72	93½	92½
Dom. Textile, com.	5	4.58	109	105	109	105	2228	109	89
Do. pref.	7	5.83	120	120	120	119⅞	25	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	60	30
Montreal Cottons, com.	6	5.55	110	110	110	110⅛	10	115½	102
Do. pref.	7	6.08	115½	115½	115½	115	9	115½	110
Penmans, com.	8	4.27	188	187	187	186	260	191	173
Do. pref.	6	5.91	..	...	...	...	...	104½	100¼
Wabasso Cotton	4+50c	4.28	105	105	105	100½	500	105	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.71	..	...	...	...	...	72½	54
Do. pref.	7	7.14	98	97½	98	97½	17	98	92
Asbestos Corp., com.	.	...	24	23¼	23¾	23½	1159	25¾	16½
Do. pref.	7	8.43	84	83	83	83¾	783	87	62
Building Products, pref.	7	7.48	93½	93½	93½	94	12	94	83
Brant. Cord. pf. (par $25)	8	8.88	23	22½	22½	23	422	27½	22½
Burt, F. N., com.	12	5.04	59½	59	59	60	230	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210½	210⅛
Canada Cement, com.	6	4.41	134½	130¼	133⅛	132	9958	135⅞	98
Do. pref.	7	5.98	118½	117	118½	117½	130	120	113
Canadian Oil, com.	5	4.76	105	99	105	100	45	105	65
Do. pref.	8	6.91	115¾	115½	115¾	114	20	117	100
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28+20	..	23½	21¾	21⅞	23¼	7817	34⅛	16¼
Crow's Nest Coal	6	9.02	66½	65½	65½	66¼	170	85	51

	Div. Rate	Yield Jan. 10	High for wk.	Low for wk.	Close Jan. 11	Close Jan. 4	Sales for wk.	Range, 1926-7 High	Low
Dom. Glass, com.	7	6.63	106½	104	106	104	1677	106½	81
Do. pref.	7	6.43	112	112	112	108¾	72	113	103
East. Theat., c. (par $25)	.	...	27	24	27	25	10	30	18¾
Do. pref.	7	7.44	..	...	...	...	...	95	83
Famous Players, com.	.	...	20	20	20	20	6	21	11
Do. pref.	8	8.51	94	93¾	94	94	54	94½	88
Gilman, com.	6	4.91	..	...	...	...	...	127½	104½
Do. pref.	7	5.38	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.33	96	95	96	96	111	99¼	85
Holt Renfrew, com.	.	...	..	...	...	...	...	50	26
Do. pref.	7	8.23	..	...	...	...	...	92	84½
King Ed. Hotel (new)	.	...	21	20	21	20	274	21	20
Loew's, com.	.	...	..	...	...	...	...	40	36
Do. pref.	7	7.14	100	96½	100	98	35	100	90
Lyall Construction	.	...	38	36¼	38	36½	25	48	20
Nat. Brew., c. (par $25)	4	6.06	66	65½	65¾	65½	1168	72	56
Do. pref.	7	6.42	109	106	109	105	172	110	101¾
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	10.29	68	68	68	65	10	72	60
Pacific Burt, com.	6	6.74	89	88½	88½	90	31	110	88½
Do. pref.	7	6.48	108	108	108	107	38	110	102
Port Hope Sanitary, com.	3	2.40	129	129	129	125	20	130	74½
Do. pref.	7	6.60	..	...	...	...	...	106	99
Rogers, Wm., com.	.	...	70	69	70	67½	58	70	45
Do. pref.	7	7.60	94	92	92	94	32	100	90
Sher.-Williams, com.	6	4.19	143	143	143	145	105	148½	125
Do. pref.	7	5.83	120½	120	120½	118	76	120½	110½
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Sterling Coal	4	11.11	..	...	...	...	...	43	36
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	83	82	83	82	103	84½	56
Tuckett Tobacco, com.	4	5.71	70	70	70	70	5	73	58
Do. pref.	7	6.73	105	104	105	104	120	105¾	100
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	7.86	..	...	...	...	...	90	77¾
Trust and Loan—									
Central Canada	12+8	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.85	94	94	94	93½	6	100	90
Can. Permanent	12	5.42	221	216⅛	220	218	28	221	202¼
Colonial Invest.	6	...	..	...	...	...	...	7	4
Huron & Erie	7+½	5.45	..	...	...	...	...	137½	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50⅛	50
National Trust	12	4.70	255	255	255	255	11	255	232½
Do., Rights	.	...	24	23	24	22	570	24	20½
Ontario Loan (par $50)	11	4.95	111	111	111	110	5	111	103½
Real Estate Loan	7	7.36	..	...	...	...	...	95	83
Toronto Gen. Trusts	12	5.45	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.50	100	100	100	98	1	100	93½
Union Trust	7	6.79	..	...	...	...	...	105	98

THE CURB MARKET

	Div. Rate	Yield Jan. 10	High for wk.	Low for wk.	Close Jan. 11	Close Jan. 4	Sales for wk.	Range, 1926-7 High	Low
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Engine	.	...	35	31½	31½	35	745	43¾	7
Beacon Oil	.	...	20½	19½	19⅝	19¾	2165	21	14¼
Belding, com.	6	7.01	..	...	...	...	...	85½	75
Do. pref.	7	6.86	..	...	...	...	...	102½	92½
Brit. Am. Oil (par $25)	10+50c	3.68	82¾	80½	81⅜	82	1681	86	47
Do. (new)	.	...	21	20	20⅜	20⅞	1149	22	20
Brew. & Distillers	.	...	5¼	4¾	5¼	4⅝	2175	5¼	4¼
Can. Nor. Pr., com.	.	...	42¾	42¾	42¾	42	16	43	28
Do. pref.	7	7.07	99	99	99	98¼	137	99	89¼
Cockshutt, pref.	4	...	76	74	74½	75	575	83⅞	57¼
Continental Oil	$1.00	4.52	22	20	22	20	284	26	17⅞
Cosgrave Brew. (par $10)	5	6.21	8	7½	7⅞	7¾	1200	9	5
Dom. Engineering	$3	2.14	140	140	140	150	8	150	65
Dom. Power, pref.	7	6.98	...	...	...	...	...	101¼	101¼
Dryden Power (no par)	.	...	12	11½	11½	11½	625	12	5½
Eastern Dairies	.	...	21	20½	20½	20⅝	57	21	15½
East. Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	72½	72½	72½	74	10	75	59½
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Good. & Worts	$1.00	2.12	48⅛	45¼	46	45¼	4365	48⅛	27¼
Hamilton Dairies	.	...	..	...	...	...	...	24½	21¾
Illinois Power, pref.	7	7.14	99¾	98	99¾	99¼	30	100	95
Imperial Oil	$1.25	3.20	39	38	39	38¼	6115	39⅝	32½
Imp. Tob., com. (par $5)	6	...	7⅛	7	7	...	150	7⅛	7
Inter. Petroleum	75c	2.34	32½	32	32	32½	1110	35½	29¼
Hiram Walker	.	...	34⅛	28½	31⅞	...	26547	34⅛	28½
Manitoba Power	.	...	58	56	58	54½	1339	58	24
McColl, com.	80c	...	24½	24	24	24	268	25	18⅞
Do. pref.	7	7.00	100⅛	100	100	100	50	100⅛	95
Newsprint Corp.	.	...	..	...	...	...	...	27	18
North Star Oil, com.	.	...	..	...	...	...	...	130	75
Do. pref.	7	...	490	490	490	485	200	495	450
N.S. Car, com.	.	...	23	20½	23	23½	292	23	7½
Ott. Mtl. Pr. c. (no par)	.	...	19	19	19	20	254	20	18
Do. pref.	7	7.21	48½	48½	48½	48	60	48½	48
Ottawa River Power	.	...	25	25	25	25	17	25	25
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	100	75
Power Corp., com.	.	...	29	28¼	28¼	29¼	822	29¼	22
Do. pref.	6	6.31	96	94	96	94	352	96	92
Que. South. Power	.	...	25	25	25	...	2	25	25
Seagram	.	...	17	15½	16⅝	15½	11450	18	14½
Simpson, Robt., pref.	6	6.03	..	...	...	...	...	102	99
Sovereign Secs.	.	...	..	...	...	...	...	210	150
St. Law. Paper, com.	.	...	52	52	52	54	50	60½	35
Do. pref.	8	7.47	..	...	...	...	...	109½	103¾
St. Maurice Power	.	...	96½	96	96	96⅛	155	101	72½
St. Maurice Valley	.	...	..	...	...	...	...	65	40
Toronto R.S.	.	...	..	...	...	...	...	195	110
United Secs., com.	.	...	..	...	...	...	...	65	50
Do. pref.	6	5.76	105	104	104	104⅞	80	106	102
Volcanic Oil	63c	...	..	...	...	...	...	38	26
Venezuelan Pete.	.	...	7¼	7⅛	7⅛	7¼	140	7¼	7⅛

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s 1940	104¼	105
Algoma Steel 5s 1962	29¾	30½
Anticosti Corp. 6½s 1941	102	103
Belgo Can. Paper 6s 1943	102⅛	103
Brandram Henderson 6s 1939	80	86
Burns, P. Co. 6½s 1943	102¾	103¾
Calgary Brewery 5s 1942	87½	89
Calgary Power 5s 1940	91	92
Canada Biscuit 6½s 1946	101⅛	102
Canada Lt. & Pr. 5s 1949	90¼	91½
Can. Car & Fdry 6s 1939	104	105½
Can. Nor. Power 6½s 1941	100	101¼
Brompton P. & P. 6s 1946	98	99½
Can. Steamships 5s 1943	98	99
Can. Steamships 6s 1941	96½	97¼
Can. Salt 6s 1946	102	103
Can. Steel Fndry 6s 1936	104	105
Cedar Rapids 5s 1953	100	100¾
Davies, Wm. 6s 1942	93¼	93¾
Dominion Iron 5s 1939	29	31½
Dom. Power & Tr. 5s 1932	96¼	97¼
Dominion Textile 6s 1949	106	108
Duke-Price Pr. 6s 1966	105	105⅝
East Kootenay Pr. 7s 1942	103¾	105
Elev. Development 5s 1933	99¾	100⅝
Fraser Co. 6s 1950	98⅜	99½
Gatineau Power 5s 1956	95	96
Howard Smith P. & P. 7s 1941	103¼	104½
International Paper 6s 1955	97⅞	98½
Jamaica Pub. Serv. 6½s 1943	102	103¼
Kaministiquia Pr. 5½s 1950	93¾	101
King Edward Hotel 7s 1944	93	96
Lake Superior P. & P. 6s 1941	105¼	107¼
Laurentian Pr. 6s 1936	101¾	102¾
Laurentide Pr. 5½s 1946	101¾	102½
Maple Leaf Mfg. 6½s 1943	103½	104½
Maritime Tel. & Tel. 6s 1941	103½	105
Manitoba Pr. 5½s 1951	97¼	98¾
Mattagami P. & P. 7s 1949	100	115
Mercury Mills 6½s 1943	100	101¾
Mont. L. H. & Pr. 5s 1951	99¼	99½
Mont. Pub. Service 5s 1942	97¾	98¼
Nor. Can. Pr. 6s 1945	100½	101½
Nor. Ont. L. & P. 6s 1946	100½	101¼
Nor. West. Utilities 7s 1938	99	100½
Nova Scotia Steel 6% Debs.	30	33
Nova Scotia Tram. 5s 1946	89¼	90½
Nova Scotia Tram. 7s 1952	98	99
Ont. Pulp & Paper 6s 1931	108	109
Ottawa Gas 6s 1939	102	103½
Ottawa Hull Pr. 6s 1948	103	104½
Ottawa L. H. & Pr. 6s 1953	104½	105
Ottawa Mont. Pr. 6½s 1949	102¼	103½
Ottawa Riv. Pr. 6½s 1953	102¼	103
Ottawa Trac. 5½s 1955	100⅝	101¼
Port Alfred P. & P. 6½s 1943	102	103
Price Bros. 6s 1943	103	104
Prov. Lt. & Pr. 5s 1946	100⅛	101½
Page Hersey 6s 1946	101¼	102½
Quebec Pr. 6s 1953	106½	107½
St. Lawrence Paper 6s 1946	97¼	98¼
St. Maurice Pr. 6½s 1953	108	109
St. Maurice Valley 6s 1945	99½	100½
Shawinigan W. & P. 6s 1950	104½	106
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	102¼	103½
Southern Can. Pr. 5s 1955	97	98¼
Spanish River P. & P. 6s 1931	108½	109½
Spanish River P. & P. 8s 1941	106¼	108
Walmsley, Chas. 6s 1943	88	95
West Kootenay Pr. 6s 1943	103½	105
West Pr. of Can. 5s 1949	96	97½
Winnipeg Elec. 6s 1954	98¾	100
Winnipeg Elec. 5s 1935	98¼	99½

MEXICAN TRAMWAYS

Gordon W. Scott, C.A., of P. S. Ross & Sons, is at present in Mexico. It is understood that the trip is connected with proposals for financial re-organization of Mexico Tramways Company, which has a Canadian charter, and its subsidiary, Mexican Light and Power Company. Robert C. Brown, Toronto, is president of both companies, and the boards are largely Anglo-Canadian in composition. Alfred Lowenstein, the Belgian financier, is understood to have an interest in the junior issues of these companies.

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Pulp & Paper

Newsprint May Receive Some Setbacks in 1927

Executives Expect Slight Over-Production During 1927

SHARES HAVE SLUMPED

Established Companies Bound to Continue to Reap Handsome Rewards in in Future

From Our Own Correspondent

MONTREAL. — Whether or not there be some surplus production of newsprint on the market in 1927, investors in the newsprint shares would be wise to make up their minds that this will take place, for of the many newsprint executives who have expressed their views to The Financial Post, every one has indicated that it is his opinion there will be at least some surplus production this year.

The way in which this will affect the investor is simply that there may be some decline in the newsprint stocks. In the meantime, the shares of most of the newsprint companies have slumped off the peak experienced just before the close of 1926. Before the slump, The Financial Post warned investors of the possibility of a market decline.

For the real investors, some newsprint surplus this year means little or nothing, for the securities have been purchased not for a two or three months hold, but to await the major returns, which all appearances indicate, cannot fail to accrue to those investors who hold securities in the ably managed newsprint companies over a period of a year or two.

For speculators, whether they be bears or bulls—the immediate future may hold certain dangers. In the first place, it would be absurd to say definitely that the shares of the well-established, ably-managed and sound newsprint companies will show any marked decline; these companies have all come through periods when it has been necessary to limit production to some extent and have come through such periods without loss to the shareholders.

While there may be some surplus production more or less shortly, authorities all seem agreed on the one point, that any period of over-production will not be long; in other words, newsprint stocks may react, but it will not be very long before they once again resume their upward trend. This seems reasonable for at the present time in Eastern Canada there are but few timberlands left which can be economically developed. As a consequence, there should be less competition in the years to come and the established companies should reap a very handsome reward ultimately. This is all the truer when the pulpwood situation in the United States is taken into account.

B.C. COMPANY STARTS DIVIDEND PAYMENTS

Arrears on Preferred Stock Paid — May Produce Newsprint

From Our Own Correspondent.

MONTREAL.—As forecast in last week's issue of The Financial Post, the British Columbia Pulp and Paper Company has declared an $8.75 per share dividend on its preferred stock. This is the initial dividend declaration and covers the fifteen month period from its inception up to the close of 1926.

The company took over the properties of the Whalen Pulp and Paper Mills on November 1, 1925, following the purchase of the latter company's assets by its bondholders. The capitalization of the British Columbia Pulp and Paper Company is as follows:

6 per cent first mortgage bonds..	$3,707,500
7 per cent. general mortgage bonds	1,500,000
7 per cent cum. pref. shares......	556,200
Com. stock of no par value.....	100,000 shs.

Bondholders Fare Well

Of the foregoing capitalization the entire amount of the first mortgage bonds and the preferred stock was issued in exchange for the Whalen first mortgage bonds. The bonds were exchanged par for par and the preferred shares represented the arrears of interest on the old Whalen issue. Thus, with the initiation of dividends on the new preferred shares the first mortgage bondholders of Whalen seem to have emerged from the reorganization of the old company in an entirely satisfactory position.

With its mills located on tidewater the company enjoys advantages of low freight rates on shipments by water. Since the reorganization, the efficiency of the plants has been considerably improved. In view of the company's low wood costs and other favorable operating advantages, it is considered very likely that at some future date the erection of a new mill for the production of newsprint will be undertaken. There is little possibility that this expansion will be undertaken for some time yet, however.

Fraser Companies' Bonds Are Now Much Stronger

From Our Own Correspondent.

MONTREAL.—The first mortgage six per cent. bonds of the Fraser Companies have shown increasing strength and are selling at present at 99. The yield at present prices is, of course, just over 6 per cent. The bettered demand for the bonds is due in part to the fact that the position of the companies is understood to have undergone a steady betterment during the year just concluded. As the output of the mills consists entirely of sulphite pulp and fine papers, the better markets for sulphite have contributed materially to the improved showing and have also allowed the resumption of dividend payments on the common shares. The annual report for the year just concluded will appear within the next month or two and, it is understood, will be such as to prove satisfactory to the holders of the companies' securities.

Sulphite Market Now Satisfactory

From Our Own Correspondent.

MONTREAL.—For the current year, everything seems to indicate that the present prices of sulphite pulp will be maintained. Executives in the industry generally, feel that prices in 1927 will show no decline—all of which indicates that earnings from the companies engaged solely in the sulphite industry will be maintained at around present levels. Many of the newsprint companies, however, have a surplus sulphite production which they sell on the open market when prices are favorable. During 1927 then, several of the newsprint companies will probably make satisfactory earnings from their sales of surplus sulphite pulp.

I. P. CO. AND EDDY'S TO CO-OPERATE SOON

Indicated by Drury's Appointment — Perhaps a Merger at a Later Date?

From Our Own Correspondent.

MONTREAL.—Many conjectures have been made regarding the recent appointment of Victor M. Drury to the board of the E. B. Eddy Company, for Mr. Drury is known to be associated with International Paper Company interests. Thus it has been said that the latter company would eventually acquire the Eddy property.

The situation surrounding Eddy's and the International Paper is simply that the former owns 900 square miles of timber limits on the Gatineau River, where the International Paper also owns extensive limits which are being used to feed its new newsprint mill at East Templeton, P. Q.

Obviously, as the limits of both companies join one another and as they both use the same watershed, the closer co-operation of the two companies would result in some savings. Probably the addition of Mr. Drury to the board of the Eddy Company simply means that some measures of co-operation in woods operations are to be effected.

May Be Merger Yet

For the future, there is still the possibility of the closer association of these two companies for the interests of both lie along the same lines. The E. B. Eddy Company began operations in 1851, and now has a varied daily production of 120,000,000 matches, seven tons of tissue paper, twenty-five tons of paper board, 155 tons of newsprint, one million paper bags, eight tons of bag and manila paper, fifteen tons of wrapping paper and ten tons of book and writing paper. The plant covers an area of about 75 acres and the raw material comes from timber limits covering an area of 2,000 square miles, situated on the Ottawa and Gatineau rivers. The newsprint mill of the company has been so designed that its capacity can be doubled without further expenditure.

Abitibi Expected to Show Earnings at 1925 Level

From Our Own Correspondent.

MONTREAL.—The annual report of the Abitibi Power and Paper Company will shortly make its appearance. It is expected to show between $11 and $12 on the common stock. For the last three years annual earnings have been at the rate of more than double the dividends paid on common, with result that an exceptionally strong financial position has been built up.

While the company, during the year just concluded, received $5 a ton less for its newsprint, yet it has steadily increased the efficiency of its mills, with a resulting increase in output. Moreover, due to the demand for newsprint during 1926, the mills have been operated at capacity; in fact, at over their rated capacity.

Thus the 1926 earnings are expected to equal those of 1925 when the newsprint companies, during a portion of the year, slowed up their machines. The 1925 earnings amounted to $11.19 per share of common stock.

International Paper Starts Mill in March

From Our Own Correspondent.

MONTREAL.—Work on the International Paper Company's newsprint mill at Chelsea, P. Q., is up to schedule and it is anticipated that the first newsprint machine will enter production in March. There will be four newsprint machines in the plant with a rated capacity each of 150 tons daily. The mill is expected to be completed by August, at which date the four machines with a total capacity of 600 tons daily will be in operation.

Last autumn, the company cut pulpwood on its Gatineau river limits; this has been brought down to the mill and piled for use in the first machine, which is to start shortly.

Quebec Pulp Output Sold

MONTREAL.—The output of the Quebec Pulp and Paper Mills over the next few months has been entirely sold. Water conditions prevailing at the Kenogami reservoir are such that the mills will be able to operate at capacity throughout the winter. It will be recalled that last year the company was handicapped in its winter operations through the failure of one of the dams of this district.

International Expands

MONTREAL.—The International Paper Company is understood to be contemplating the purchase of the Louisiana Pulp and Paper Company. With its present production at Bastrop, La., this would make International Paper the largest producer of kraft paper on this continent.

"Times" Comes to Canada?

MONTREAL.—It is understood that the owners of the London Times are considering the erection of a large pulp and paper mill in Canada. The possible location of such a newsprint mill has not been disclosed.

Permit no More Paper Mills to go up in Quebec Until Present Mills Have Ample Reserves

From Our Own Correspondent

MONTREAL.—On December 17, The Financial Post stated that the Quebec government had quietly decided not to permit the erection of any more pulp and paper mills in that province until there was ample assurance that mills already in existence or arranged for had ample forest reserves.

This is now confirmed by speech from the throne delivered in the Quebec house this week. The government's address said:

"The success of the pulp and paper industry in Quebec has brought hither the establishment of great mills which make considerable demand on our forest resources. The government intends to protect these mills by following up actively its policy of safeguarding the forest, replanting, wise exploiting of the new Quebec reserves and the inventory of our forests, an inventory now completed over an extent of eleven millions of acres. At the same time it thinks that before favoring the establishment of additional mills, it would be wise to see that there is an abundant forest reserve for the mills already in existence or the construction of which has been decided upon, except, however, in those new regions where such mills might become the source of unlooked-for activities."

It is generally felt that the Quebec government has taken a forward step of much significance. Investors in paper securities have felt that the constant erection of new mills was menacing the stability of their investments. It was felt that an undue burden was being put upon the forests that supply the raw material and that the supply of newsprint in particular was reaching the point where it would overwhelm demand. Action of Premier L. A. Taschereau; Minister of Lands and Forests Honoré Mercier, and their cabinet colleagues, in restricting further mills, is welcomed by investors generally.

Sulphate Companies' Position Satisfactory

From Our Own Correspondent

MONTREAL.—The market for sulphate pulp has been satisfactory during the past year and the outlook for 1927 indicates that prices will probably tend to strengthen. All of which is satisfactory to the shareholders in such companies as Wayagamack and Dryden, which have a large output of sulphate. There are many other companies which while not as vitally interested in the sulphate market as say, Wayagamack, yet have a substantial output of this type of chemical pulp. These include the Bathurst Company, which produces 70 tons of sulphate daily, and the Brompton Pulp and Paper Company, which produces 110 tons daily. The total production of the Brown Corporation is 240 tons of sulphate daily.

Then there are other companies such as the St. Maurice Valley Corporation, which in two of its plants produces just under 100 tons of sulphate daily.

So that while the satisfactory outlook will prove pleasing to the shareholders of the sulphate companies, it will also be of more than minor interest to shareholders of the many companies which include some sulphate in their production.

New Mill at Port Arthur?

MONTREAL.—It is possible that the projected newsprint mill of the Great Lakes Paper Company will be erected in Port Arthur. The company's present plant, which has a capacity of 165 tons of groundwood daily, is located in Fort William. Regarding the future developments of the company, E. W. Backus, when questioned about the location of the new newsprint mill, was non-committal.

Fox Farming Brought P.E.I. Three Millions in 1926

The fox farmers of Prince Edward Island have every right to be satisfied with the conditions and outcome of the fox industry during the past year.

There was a steady demand and good prices, making 1926 an exceptionally good year, and prospects are good for the coming year also.

The industry is now what it should be. It is stable and should be a source of permanent revenue.

During the past year about 3,500 foxes were shipped alive, at an average value of about $300 each, making a total of $1,050,000.

There were about 20,000 skins sold, at an average price of $100, making the sum of $2,000,000.

This means that the fox industry brought to this province during the past year revenue equal to $3,050,000.

Sheds Light on Prince George

MONTREAL.—Hon. T. D. Pattullo, minister of lands, British Columbia, recently met the representatives of lumber interests in the Prince George district to discuss the protection of mills already located there when huge forest reserves are set up for the proposed pulp and paper industry, which is now making ready to begin active operations at Prince George. After meeting the Prince George lumbermen, Mr. Pattullo said: "We are endeavoring to arrange the disposal of timber in the district so that all interests will be protected and satisfied. At my recent conference with Mr. Jones, representative of the eastern syndicate which proposes to establish a big paper and pulp industry, we reached a complete basis of accord. So far as the department is concerned, it is prepared to put in effect the arrangements then agreed on, so it is up to the pulp company now."

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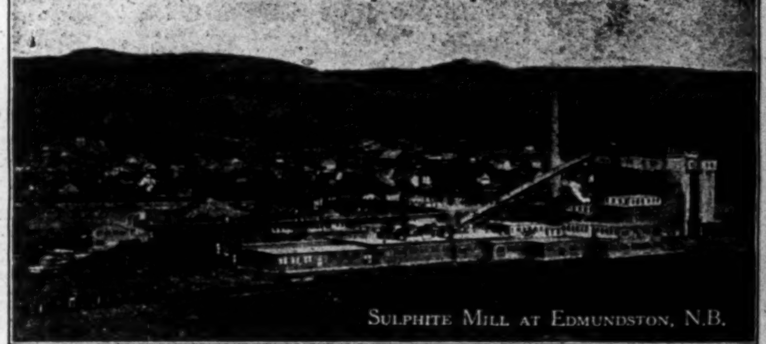

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FOG SURROUNDING SCOTIA STEEL CO. BEING DISPERSED

Payment of Debenture Arrears Betters Position Materially

From Our Own Correspondent.

MONTREAL.—The obscurity surrounding the Nova Scotia Steel and Coal Company has been partially dispersed first of all by the payment of the arrears of debenture interest up to July 1 last, and secondly by the recent decision of the courts which kept the property out of the hands of a receiver. The holders of the mortgage securities asked to have the property thrown into the hands of a receiver on the ground that the safety of the assets was being jeopardized. Due to the payment of interest arrears and the decision of the courts, the property remains under the control of the British Empire Steel Corporation.

The capitalization of "Scotia" is as follows:

	Outstanding
5% 1st mortgage bonds	$5,227,906
6% Perpetual mortgage debentures	4,978,500
8% Cumulative preference	1,000,000
Com. shares ($100 par value).....	15,000,000

Company Still in Arrears

Of the foregoing capitalization, Besco holds all the common stock and $192,000 of the preferred; the remainder of the preferred is in the hands of the public. The interest payments on both the bonds and the debentures fall due semi-annually on January 1 and on July 1. Last July the company failed to meet the interest charges on both of its senior issues.

To meet its bond interest the Nova Scotia Steel and Coal has three months grace, and the interest payment of July 1 last was met in full in October. On the debenture interest the company has six months' grace; the interest for July 1 last has just been met.

At the present time, therefore, the company is still in arrears with both its bonds and debenture issues, for the January 1 payments have not been paid over to the Eastern Trust Company, the trustee for both issues of securities. But neither the bondholders nor the debenture holders can take action to acquire the property until the default has exceeded the allotted periods of grace.

Three Months Grace Yet

The bondholders will not be in a position to start foreclosure proceedings until April 1 next, and the debenture holders until July 1 next. If the business of the company be maintained at prevailing levels, it seems reasonable to presume that both the interest payments will again be met at, or before, the elapse of the three and six months periods of grace.

The Nova Scotia Steel and Coal Company controls four subsidiaries—the Nova Scotia Land Company, the Wasis Steamship Company, the Eastern Car Company, and the Acadia Coal Company. Nova Scotia Steel and Coal owns practically all the common shares of these subsidiaries, chief of which are the coal company and the car company.

The Acadia Coal has no bonded indebtedness, but the Eastern Car has an issue of $861,000 outstanding; the interest on the latter has been met in full up to the end of 1926.

The semi-annual interest payments on the debentures of "Scotia" amount to $150,000 and, on the bonds, to $128,000. The present quotation for the bonds is about 55, and for the debenture stock around 30, which gives a yield of 9 09 per cent. and 20 per cent. respectively. The last annual balance sheet available covers the year 1925 and shows a consolidated operating profit of $118,789. That year, however, the protracted strike occurred and cost the company $617,413; this resulted in a net loss before interest and depreciation in 1925 of $498 634. The better business experienced in 1926, coupled with no losses due to strikes, should have produced materially bettered earnings during the past year.

The Various Properties

The Nova Scotia Steel and Coal Company owns and operates several collieries, but its output is no real factor in the total coal production of Besco. Its subsidiary, the Acadia Coal Company, owns some 20 square miles in Pictou county where are located four mines with a daily capacity of 2,500 to 3,000 tons, and about seven miles of railway. Under normal conditions this subsidiary provides a satisfactory revenue for "Scotia."

"Scotia" owns directly, also, a portion of Besco's iron ore properties in Newfoundland and operates one mine there. The other chief subsidiary, the Eastern Car company, is a large user of the products of the other component companies of the British Empire Steel chain. The plant has a capacity of 25 box cars a day, but, of recent years, railway orders have been few and far between, with the result that the Eastern Car Company has apparently just managed to meet its bond interest and little more.

With the improved earnings of the Canadian railways, it seems probable that 1927 may witness some revival in equipment purchasing; if it does, the Eastern Car Company will, no doubt, obtain its fair share of such orders as will be placed.

Jam and Allied Industries Capable Great Development

At the present time, Ontario and British Columbia are yielding by far the largest supplies for the Canadian factories manufacturing jams, pickles, preserves, jellies, syrups, fruit juices, and sauces. It is in these provinces then, as may be expected, that jam and preserving factories are numerous, and it may well be that they already cover the present field of supply.

If, however, as pointed out in a report issued by the Natural Resources Intelligence Service of the Department of the Interior at Ottawa, supply is an effect no less than a cause of a factory being established, there is no reason why there should not only be larger supplies and more factories in these provinces, and fields opened in other provinces for the same development. Apart from the peach and grape production, which in Canada must, owing to climatic conditions, be always confined to Southern Ontario and Southern British Columbia, the Maritime Provinces and Quebec are quite able to supply the other fruits demanded by the jam and marmalade industry and have special advantages for its development which should not be overlooked.

The report in question touches these industries at every angle and should be useful to both large and small-scale producers and to associated or individual growers who as yet find little or no profit from surplus and perishable fruits.

Campbell Forecasts Larger Ford Business

W. R. Campbell, vice-president and treasurer of the Ford Motor Co. of Canada, recently announced that the sale of Ford products in Canada

last year exceeded the previous high record established in 1925 by thirty-eight per cent. Mr. Campbell also announced that after exhaustive analysis of Canadian conditions the Ford Motor Co. of Canada was planning for an increased production in 1927 of twenty per cent. Mr. Campbell declared that an amazing improvement is evident in Canadian conditions.

SAW MILL OUTPUT DECREASES IN VALUE

Keen Competition Results in Lowering of Prices; Quantity is Higher

Keen competition and lower price values were mainly responsible for the decrease in production of Canada's saw milling industry during 1925. According to a report of the Bureau of Statistics, the total output in that year was worth $133,631,808, as compared with $141,929,256 in the previous year. As a result, the relative standing of this industry in comparison with others is now fifth, having fallen from third place in 1924. Its gross production is now exceeded by that of the pulp and paper industry, flour and grist mills, slaughtering and meat packing establishments and butter and cheese factories. The saw milling industry, however, comes first among Canadian industries with regard to wage distribution and third with regard to capital investment.

Production of sawn lumber during the year amounted to 3,888,920 m. ft., b.m., as compared with 3,878,942 m. ft., b.m., in 1924, valued at $99,725,519 and $104,44,622, respectively. The output of shingles increased in quantity but decreased in value from 3,129,501 M. in 1924, valued at $10,406,293 to 3,161,459 M. in 1925, valued at $10,372,736. The preparation of pulpwood, including cutting-up and barking or rossing is carried on as a side-line in many Canadian saw mills and is therefore included as part of the saw milling industry. Prepared pulpwood comes third in comportance with 706,700 cords, valued at $9,160,976, as compared with 814,180 cords valued at $11,583,293 in 1924. In the case of lath, the quantity production increased from 1,165,819 M. in 1924, to 1,292,963 M. in 1925, and the total value increased from $5,975,253 in 1924 to $6,415,927 in 1925.

B.C. is First Province

British Columbia heads the list in the production of sawn lumber and shingles. New Brunswick comes first in lath production and Quebec, in the preparation of pulpwood. The production of lumber increased in the provinces of British Columbia, Manitoba, Saskatchewan, Alberta and Prince Edward Island and decreased in Ontario, Quebec, New Brunswick and Nova Scotia. The following table shows the total value of all products in each of the provinces during 1925 and 1924:

	1924	1925
B. C.	$53,161,257	$53,069,575
Ont.	38,285,598	36,141,672
Que.	26,489,327	22,802,029
N. B.	17,095,506	14,648,407
N. S.	3,705,011	3,043,069
Man.	1,968,629	2,427,421
Alta.	926,307	996,593
Sask.	171,257	371,189
P. E. I.	126,667	131,583

While there were fewer mills in operation in 1925 than in 1924, the average production per mill was higher. The 2,761 mills reporting in 1924 had an average annual output of 1,405 M. ft. b.m., while the 2,700 mills reporting in 1925 produced an average of 1,440 M. ft. b.m. The total number of employees on salaries and wages decreased from 35,494 to 35,458 and the total payroll decreased from $34,783,780 to $34,097,006. The cost of fuel used in the industry decreased from $651,499 to $546,025 in 1925, but the total quantity of power employed increased from 285,263 h.p., to 295,246 h.p.

The ratio of the cost of raw materials to value of products has increased considerably, on the whole, during the last few years in the lumber industry, because of increases in stumpage values and increases in the cost of logging due to the longer distances logs must be transported as the more accessible supplies of timber are exhausted. During 1925 the value added by manufacture was $55,412,080 and the total cost of raw materials formed 58.5 per cent. of the total value of the finished products, as compared with 58.6 per cent. in 1924 and with 31.3 in 1917, the lowest point in recent years.

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STERLING SECOND MORTGAGE FIRM TO SELL SHARES

Claims Dividends of 885 Per Cent. Have Been Paid Since 1912

The Sterling Development Co., has offices at 77 Victoria Street, Toronto, is a new corporation taking over the assets and business of an older company of the same name which has been in business, loaning principally on second mortgages, including second mortgages on real-estate developments, since 1912. According to a statement sent to various shareholders and prospective shareholders, dividends aggregating 885 per cent. have been paid in that time.

The balance sheet as of November 30, 1926, shows assets totaling $141,859, which includes $111,442 loaned on property and involved in properties repossesed. The company is said to have only two repossessions on its books at the present time. The authorized capitalization is 50 000 shares of preferred of $10 par value, to pay 8 per cent. dividends, cumulative, and 60,000 common shares of no-par value. But the issued capital at the time of the company's audit consisted of $125,590 of the preferred and 1,000 common shares of no book value.

Offers Stock In Units

Additional stock is now being offered the public through the Britannic Securities Co., which is managed by the same group of men and occupies the same offices.

This stock is being offered in units of $130, being ten shares of preferred at $10 par value each and five shares of common. The common has been receiving dividends on the basis of 20 cents the year. Of the $130 paid to the Britannic Securities Co., not less than $90 must go to the Sterling Development Co. in furtherance of its business, according to the contract as explained by a member of the company. It has been the custom, however, for the securities company to turn over a larger proportion of the receipts than the $90 per unit. usually about $104 per unit. The securities company's profits, while not stated definitely to The Financial Post, are said to be a small margin over actual selling expenses, including $20 the month rent paid to the Sterling Co.

According to an officer of both companies, the new stock is being bought principally by old shareholders or by persons whose interest in the company has been aroused by old shareholders, who number about 300. It is declared that the dividend record of the company is the best evidence of its able management and it is contended that the fact that officers of the securities company are large shareholders in the development company, is the best guarantee that the cost of financing future growth of business will be kept at a minimum. It is said, further, that the salaries of all the officers of the company are low.

Sterling Development Co. claims a most satisfactory record with regard to the placing of mortgages, its repossessions being few in number over a period of years and its losses thereby being small. The average gross earnings are said to be above 17 per cent. on the capital involved, while only seven repossessions were necessary in 1926. Only two properties remain to be disposed of, including an unusually large one for $12,000. There is said to be ample value in this, however. The average value of outstanding mortgages is between $1,000 and $1,300.

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GRAIN TRADE DENIES HAMPERING POOLS

If Wheat Pool Has Failed to Get Best Average Price, It is Pool's Fault

Special Correspondence.

WINNIPEG. — Western grain trade men and elevator operators have issued a statement setting forth their attitude towards the wheat pool. They say:

"Everyone will agree that the pool system of marketing was an experiment. If this experiment was to be given a thorough test as against the open market system it was necessary at the inception of the pools that the grain trade should place all their facilities at the disposal of the pool executive. This the grain trade willingly did under a contract whereby pool grain was handled as the pool executive desired, and at a remuneration less than it should have been, taking into consideration the capital investment. Pool officials have admitted from time to time that the elevator operators have carried out the terms of their contract in a very satisfactory manner indeed.

"In addition to handling the grain for pool account, the elevator operators financed all pool grain passing through their elevators as well, which was of great assistance to the pools, as at the beginning the pools had neither capital nor reserves.

"Notwithstanding the fact that, largely because of the great practical assistance of the elevator operators, the pool system of marketing has had every opportunity to fully develop itself as against the open market system, the pool system has not succeeded in its main aims and has not been able to secure a return equal to the average price in the open market. Pool theories and declared objects have not been accomplished and are one by one being abandoned by the pool leaders.

"The elevators have not hampered in any way the pool executives in their operations up to date. If the pools have failed to secure average prices, as compared to the open market system, it is the fault of the pool system and not of the grain trade."

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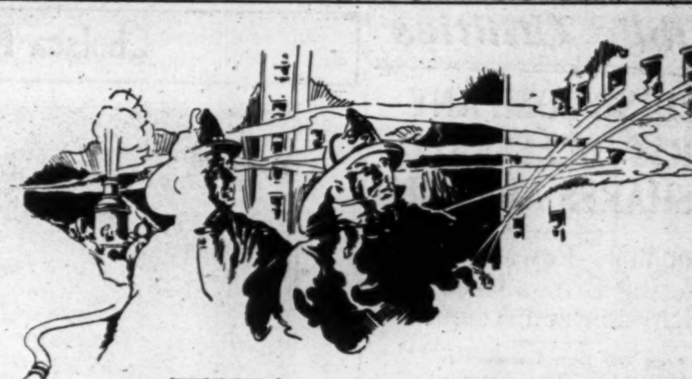

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Public Utilities

HOLDING COMPANY FIRST PREFERRED SHARES ARE SOLD

$2,500,000 Power Corpn. Offering Brings Issue Up to Authorized Amount

From Our Own Correspondent

MONTREAL.—The further offering by Nesbitt Thomson and Company of $2,500,000 6 per cent. cumulative first preferred shares of the Power Corporation again brings before investors some of the many attractive features of the holding company as a field for funds.

While the Power Corporation of Canada supervises and provides experienced management for the companies in which it is interested, yet the real security and attraction of the corporation's securities lies in the fact that it is a holding company which, in addition to obtaining a satisfactory revenue from a large list of dividend paying stocks, owns also large holdings of common shares with a great potential value.

The present issue of first preferred stock brings the total shares outstanding up to the full authorized amount of the issue, namely, $5,000,000.

The Corporation's Activities

The Power Corporation of Canada controls the Canada Northern Power Corporation, the Ottawa and Hull Power Company, and the Ottawa-Montreal Power Company. The first two named have subsidiaries which, naturally, also operate under the aegis of the Power Corporation.

The corporation also has a substantial interest in these companies: Southern Canada Power, Winnipeg Electric, Dominion Power and Transmission, and East Kootenay Power.

The proceeds of the present issue of stock will be used ultimately to purchase further securities of power and public utility companies; in the meantime the funds will be invested in gilt-edged bonds and sound common stocks.

In the main the assets of the corporation will always consist of power and public utility securities, but at the same time a portion of its assets will always lie in other types of investments, which will be composed of gilt-edged bonds or common shares of old-established companies whose securities give every indication of an appreciation over a term of years.

The holding company has many plans in view for its subsidiaries, not the least of which is the linking up of all the power systems serving the northern mining districts of Quebec and Ontario. The corporation controls all the power companies operating in these territories.

Projects in Mining Fields

This plan embraces: building a high tension line branching off the Quinze-Rouyn line at the Alderson-Mackay mine, running westward into Kirkland Lake; installing a quarter-of-a-million-dollar frequency changer at Kirkland Lake to alter frequency from 25 to 60-cycle, or vice versa; construction of a power line to be finished in March to carry four thousand horsepower from Indian Chutes to Kirkland Lake; building concrete storage dams on the Montreal River, and other works to conserve water storage throughout the north.

These operations, costing well over a million dollars, will be completed in a year and will weld all mine power plants into one. In case of a local breakdown at Cobalt, Kirkland, Rouyn, Porcupine, or any of the other camps served, power from other fields can be turned on immediately. As the north as a whole has a surplus of power, the power corporation calculates that the betterments will obviate any local shortages in the future.

The particulars of the first preferred stock offering of the corporation follow:

$2,500,000 Power Corp of Canada,
6% cumulative first pfd. stock.

Business: Hydro elcetric holding company.

Capitalization: (including this issue).

	Authorized	Issued
6% Cum. 1st Pfd. $100 par value	$5,000,000	$5,000,000
6% Non-cumulative Participating Pfd. $50 par value	5,000,000	2,500,000
Common Shares, "no par" value	250,000 shs.	150,000 shs.

Purpose of Issue: To purchase further public utility securities.

Earnings: Before depreciation, applicable to shares held in subsidiary companies in 1926 amounted to over twice dividend requirements. Earnings from investment of present issue will become available in 1927.

Equity: Present market prices place a value of over $6,500,000 on the junior stock issues.

Properties: Serve a population of over 1,000,000 with an installed capacity of 435,000 h.p.

Sold: January, 1927, at $96 per share to yield 6.25 per cent. by Nesbitt, Thomson and Co.

No Danger Public Ownership Winnipeg Electric Company

Affairs of the Winnipeg Electric Railway Company are in a very flourishing condition, declared Edward Anderson, K.C., LL.B., counsel for the corporation, in Vancouver.

"For the last five years there has been a gradual improvement in the property and earnings of the railway company.

"There is no possibility of public ownership of this utility during the next five years," stated Mr. Anderson.

"The franchise of the company," he said, "expired in 1926, and no notice has been given by the city of intention to take over the operation, so that automatically the franchise will be extended for another five years.

"There is not the incentive toward public ownership that there has been," he added. "Labor is not nearly as strong in Winnipeg as it was, and the gradual drift toward private operation is more pronounced than ever."

Chelsea Plant Which Will Soon Supply Power

The Chelsea development illustrated above is one of three hydro-electric plants being constructed by the Gatineau Power Co., on the Gatineau river in the province of Quebec. This plant, which will have a capacity of 170,000 horse-power, was practically completed during 1926. Power from the Chelsea, Farmers Rapids, and Paugan Falls plants will go to the new mill of the Canadian International Paper Company at Gatineau, Quebec, and also to the Ontario Hydro-Electric Power Commission. — Photo by courtesy Department of Interior.

Gatineau Power May Develop Maniwaki

From Our Own Correspondent.

MONTREAL.—It is rumored that the International Paper Company has opened negotiations with the Ontario Government leading to the sale of a further block of power to the Ontario Hydro Electric Power Commission. It is said that the additional power would be supplied from the power site which the company controls at Maniwaki, P.Q., on the Gatineau River, some distance above the the three power developments at Chelsea, Farmers and Paugan. These developments are owned by the International Paper's subsidiary, the Gatineau Power Company.

Should the company undertake the Maniwaki development, it would probably be carried out by the Gatineau Power Company which, it is understood, controls the Maniwaki site.

Gas, Trams & Power Earn More for 'Peg Electric

From Our Own Correspondent

MONTREAL.—All indications point to a steady and continued increase in the volume of business activity in the city of Winnipeg and, as the city forges ahead, there seems to be no doubt whatever that the Winnipeg Electric Company will continue to grow with it. All this is evidenced by the faith which the citizens of Winnipeg recently displayed in the company by largely oversubscribing the recent offering of shares to customers.

But there are other evidences of the bettered position of the city. Each department of the Winnipeg Electric Company reported satisfactory increases in its volume of business during 1926. During the year the increase in the amount of electricity generated and sold amounted to some 12 per cent., and more than 2,200 new customers were added to the books in the year.

The sales of gas, also, have increased and are about 5 per cent. ahead of the 1925 figures. The tramways—long a thorn in the side of the management—at last is doing much better and, in 1926, carried over 2,000,000 passengers more than in 1925. Thus the company starts 1927 in a materially improved position, with earnings still showing satisfactory increases.

Bell Telephone Company Explains Depreciation

From Our Own Correspondent.

MONTREAL.—Accompanying the regular quarterly dividend cheques of the Bell Telephone Company is a notice regarding one of the points at issue before the board of railway commissioners, which says:

"The evidence and arguments as to revision of telephone exchange rates have been completed, and the case before the board of railway commissioners is closed, except for the judgment of the board.

"One of the principal points at issue is the amount to be charged as depreciation expense. This is so important, both as to principle and amount involved, that the following explanation may be of interest:

"With the exception of land, all units of property which make up the plant of a telephone company are gradually worn out in operation, or they are replaced by other equipment as they become obsolete or inadequate.

"The net cost of the property thus consumed or replaced is a necessary part of the cost of rendering service and as such is charged as an operating expense in equal proportions during the years the property is in service.

"The company's property must be adequately and efficiently maintained, and, in addition, proper provision must be made in the accounts for depreciation, which represents the cost of the property used up in the rendering of service."

Moose are thicker in British Columbia this year than ever before, and in some districts the caribou herds are threatened, according to big game authorities.

Daily Newsprint Output 8,500 Tons Within Year

The newsprint industry established new high records in Canada during the past year. All the mills operated close to capacity and the demand to-day is sufficient to take care of the considerably increased output. With additions planned during the coming year it is expected that by the end of 1927 the daily output of mills will be 8,500 tons. At the beginning of 1925 the total rated capacity of the plants was 4,750 tons, while, at the beginning of 1926, it stood at 5,700 tons and, at the beginning of the present year, the tonnage is 7,350 every 24 hours.

Alcohol Sells Ex-Bonus; Reverts to Lower Level

From Our Own Correspondent.

MONTREAL.—An additional 169,480 shares of the Ganadian Industrial Alcohol Company were listed on the Montreal Stock Exchange this week. The shares represent, for the most part, the recent stock bonus.

The stock is now selling ex-bonus and, naturally, has declined to around the levels which prevailed before the bonus was declared, or before the negotiations were enterd into with a view to acquiring the Hiram Walker distillery. The possibility of the latter deal going through also had a decided effect on the market for the shares; the termination of the purchase negotiations doubtless also had a depressing effect on the market.

At present stock market prices, the rights applicable to each share of stock will amount to around $4. A stockholder having five shares at the close of 1926 will be entitled to one new share, or will be able to sell the rights to the new share at the present market price of the stock.

FREEDOM FOR

Manufacturers from High Taxes, High Labor Rates, High Labor Turnover, Power Problems, Freedom to Expand on Ample Sites, Permits Concentrated Effort on Production.

We have located plant to the value of over $25,000,000 in the last five years under the above ideal conditions.

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SOUTHERN CANADA POWER COMPANY LIMITED
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NEW ISSUE 13, JANUARY, 1927

$24,000,000
Government of the
Province of Ontario
4½%
Non-Callable
Coupon Bearer, Serial Gold Bonds

Dated 15, January, 1927, and due annually as undernoted.

Interest Coupons payable 15, January and July.

Principal and Interest payable, at the holder's option, in Gold Coin of lawful money of Canada, at the Office of the Provincial Treasurer, in the City of Toronto; or at the Bank of Montreal, in Montreal, Winnipeg, Vancouver, Regina, Calgary, Halifax, and St. John, N.B.; or at the Agency of the Bank of Montreal, in New York City, in U.S. Gold Coin; or at the Bank of Montreal, in London, England, in Sterling, at Par of Exchange.

Denomination: $1,000.

Bonds may be registered as to principal only.

Legal Opinion of E. G. Long, Esq., K.C.

These bonds and the interest thereon are a direct and primary obligation of the Province of Ontario and a charge upon the Consolidated Revenue Fund of the Province.

$800,000. due 15, January, 1928	Price, 100.00 and interest;	yield to maturity, 4.50%
$800,000. due 15, January, 1929	Price, 99.81 and interest;	yield to maturity, 4.60%
$800,000. due 15, January, 1930	Price, 99.58 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1931	Price, 99.28 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1932	Price, 99.12 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1933	Price, 98.96 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1934	Price, 98.82 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1935	Price, 98.68 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1936	Price, 98.55 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1937	Price, 98.42 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1938	Price, 98.30 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1939	Price, 98.18 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1940	Price, 98.07 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1941	Price, 97.97 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1942	Price, 97.86 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1943	Price, 97.77 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1944	Price, 97.68 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1945	Price, 97.59 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1946	Price, 97.51 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1947	Price, 97.43 and interest;	yield to maturity, 4.70%
$800,000. due 15, January, 1948	Price, 98.00 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1949	Price, 97.95 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1950	Price, 97.89 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1951	Price, 97.84 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1952	Price, 97.80 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1953	Price, 97.75 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1954	Price, 97.71 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1955	Price, 97.66 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1956	Price, 97.62 and interest;	yield to maturity, 4.65%
$800,000. due 15, January, 1957	Price, 97.59 and interest;	yield to maturity, 4.65%

These bonds are offered for delivery in interim form on or about 27, instant; as, if and when issued and delivered to us.

Orders may be telephoned or telegraphed at our expense.

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Public Utilities

Sees Further Spread of Customer Ownership Campaigns in Canada

Head of Customer Ownership Company Discusses Outlook

MAY EXTEND ITS FIELD

Customer Ownership Capable of Application to Any Field Where Public Service is Business of Company

Two very successful customer ownership sales in the closing days of 1926—at Hamilton and at Winnipeg—serve to bring to the front the development of customer ownership in Canada.

The customer ownership movement is comparatively new in Canada, although its development in the United States has been phenomenal. The nature of the campaigns brings into productive use capital which in the past has not been attracted into the ordinary channels of investment. It directs the savings of the wage-earner, or what might be termed the "savings banks clientele" into companies which hitherto have depended on the large financial investor in disposing of their junior securities. To the companies, too, which have adopted customer ownership, very material advantages have accrued. The credit of such companies has been strengthened, the position of the companies in their respective communities has been buttressed and increased business has been a natural corollary to increased local ownership.

To the Southern Canada Power Company belongs the credit for first adopting customer ownership in Canada. When in 1922 this company first gave its customers the opportunity to subscribe for its preferred stock it set in motion a movement that has since grown in momentum, and will continue to grow and expand as the years roll by.

Following Southern Canada Power Company, the Winnipeg Electric Co., in March, 1925, demonstrated that in the west, as well as in the east, customer ownership possessed a strong appeal for the small investor. The North Western Utilities Company of Calgary also successfully adopted the plan, following which the British Columbia Electric staged their remarkable campaign. Then the movement swung back to Eastern Canada when the Montreal Light, Heat & Power Company conducted a campaign, to be followed by the Dominion Power & Transmission Company of Hamilton, and then again by the Winnipeg Electric Company.

In all, it is estimated that there are over 100,000 customer owners of public utility securities in Canada—truly a remarkable showing considering the brief life of the movement in the Dominion.

Company That Specializes

Canada has a company that specializes in the handling of such campaigns. This is the customer ownership company of Canada.

This company was formed in the spring of 1926 as a subsidiary of the Power Corporation of Canada. A. J. Nesbitt of Montreal, one most outstanding man in the public utility field in Canada to-day is the president of the company, and its field force consists of M. F. Wardhaugh, general manager, and H. C. Howard, treasurer.

It was under the supervision of Mr. Wardhaugh and Mr. Howard that the customer ownership sales at Hamil- and Winnipeg were conducted. In the former sale, the Dominion Power & Transmission Company Limited, offered 5,000 shares of its 7 per cent. cumulative preference stock. The sale opened at 9 a.m. on November 15th and was closed the same day with over 8,400 shares applied for by nearly 2,000 customers. Following this sale Mr. Wardhaugh and Mr. Howard immediately proceeded to Winnipeg to organize and direct the sale of 2,500 shares of Winnipeg Electric 7 per cent. cumulative preference stock. Here again the immediate demand created for the shares was so great that the sale was closed within forty-eight hours, the offering being more than four times over-subscribed. Over 11,370 shares were applied for by 2,222 customers.

Other sales with which the customer ownership company has been associated are the British Columbia Electric sale in February last when over $7,000,000 of 6 per cent. preferred stock was applied for by over 11,000 customers; the City Dairy of Winnipeg, 2,000 shares ($200,000); and Caulder's Creameries of Saskatchewan.

Expect Further Advance

In an interview with the Financial Post, Mr. Wardhaugh said that in his opinion very much more would be heard of the customer ownership movement in Canada during the next few years, as already the tangible and intangible benefits which have accrued to companies which have adopted this form of financing are so very important. Employees and customers have taken a greater interest in the progress of the companies, and the companies themselves have responded to the incentive to give better service to merit the confidence placed in them.

"While customer ownership is not the only and complete solution to the public relations problem, yet it is a most important instrument in the building up of good-will—the most valuable asset which any public utility company can possess," added Mr. Wardhaugh.

Asked as to the possibility of extending customer ownership outside the sphere of public utilities, Mr. Wardhaugh mentioned that customer ownership did lend itself to certain types of business which might properly come under the classification of "public service companies," such as dairy companies and bread companies which operated essential businesses calling for a large personnel daily in touch with the public. In Mr. Wardhaugh's opinion, however, customer ownership was apt to prove unsound for businesses subjected to highly competitive conditions, and whose future was largely speculative.

CENTRAL CANADA LOAN OPERATIONS SHOW BIG PROFITS

Regular Dividends and Special 8 Per Cent Bonus Paid Shareholders

Operations of the Central Canada Loan and Savings Co. for the year ending December 31, 1926, resulted in a substantial increase in net earnings as compared with the preceding year. After payment of interest on deposits and debentures, all expenses of management, Dominion and provincial government taxes and sundry charitable subscriptions, net profits amounted to $386,478, as compared with $270,461 in 1925, an increase of $116,017, or over 42 per cent. Adding to this amount the balance of $182,060 carried over in profit and loss account from the previous year, gave a total of $568,538 available for distribution. Payment of dividends and special bonus amounted in all to 20 per cent., for the year, leaving a surplus of $218,538.

Liabilities of the company are placed at $8,224,523, as compared with $7,995,776 in the previous year. Capital stock, standing at $1,750,000, shows no change from 1925, while the reserve fund equals the paid-up capital. There has been a decrease in holdings of debentures from $1,521,242 to $1,413,307. Deposits on the other hand, have increased from $2,704,973 to $2,900,177. Profit and loss account is shown at $218,538 at the end of 1926, as compared with $182,060 as the end of 1925.

On the other side of the ledger, the value of mortgages held increased from $1,035,032 to $1,140,467; loans on bonds and stocks decreased from $1,197,303 to $803,310; and bonds and stocks owned advanced from $5,173,611 to $5,674,611. The cash position of the company at the end of 1926 was slightly better than at the same time a year ago, having amounted to $356,133, as compared with $339,828.

Profit and Loss

	1926	1925	1924
Profits	$386,478	$257,841	$237,213
Bal. forwarded	182,060	169,579	159,866
	$568,538	$427,060	$397,079
Distribution—			
Dividends ..	$210,000	$210,000	$201,250
Bonus	140,000	35,000	26,250
Balance	218,538	182,060	169,579
	$568,538	$427,060	$397,079

Why call when you can telephone?

"Instead of coming all the way out here to see me, call me on Long Distance next time. It will save your time and you'll sell just as much."

That is the attitude of most merchants today toward selling by telephone.

THE BELL TELEPHONE CO. OF CANADA

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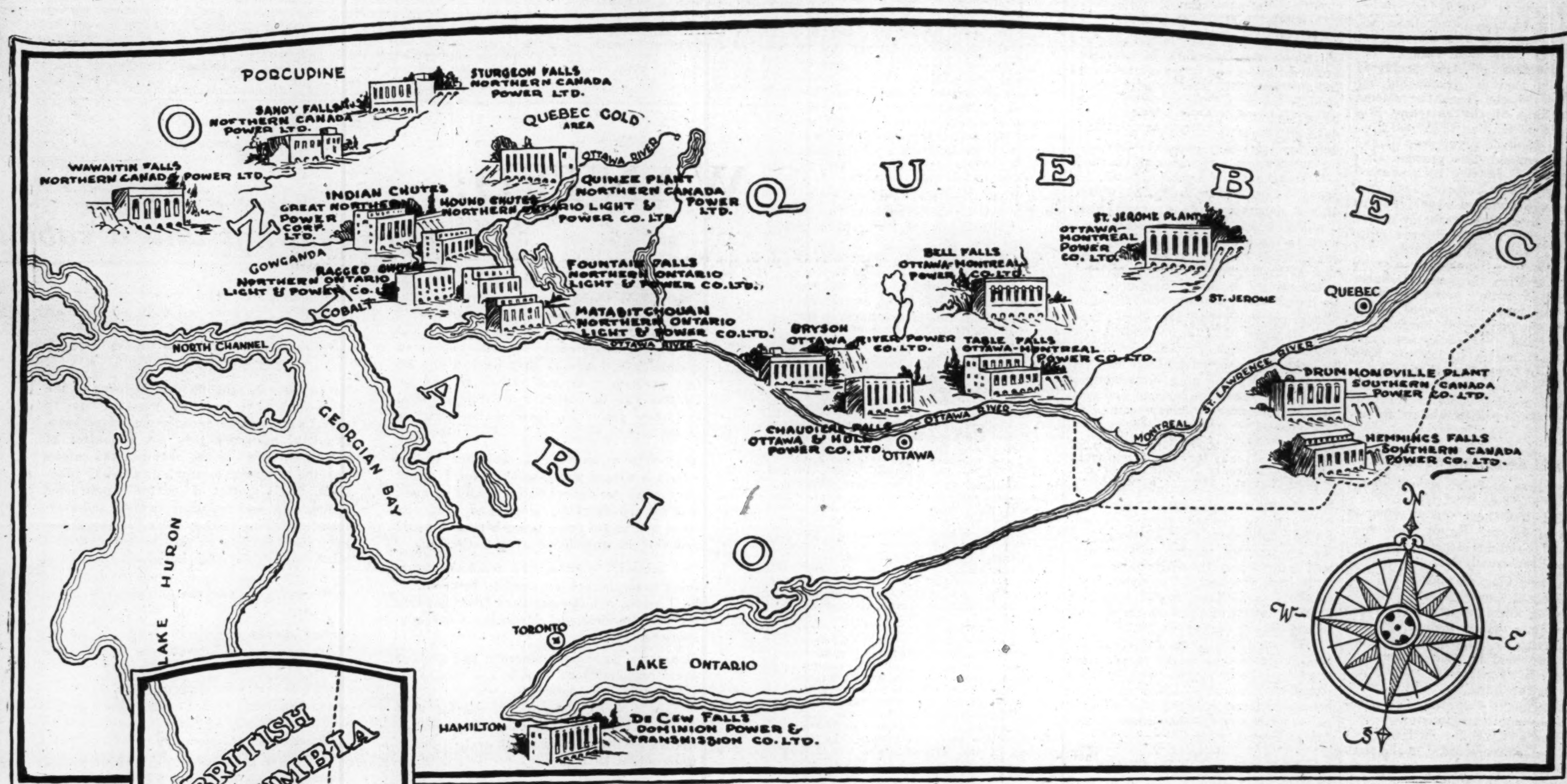

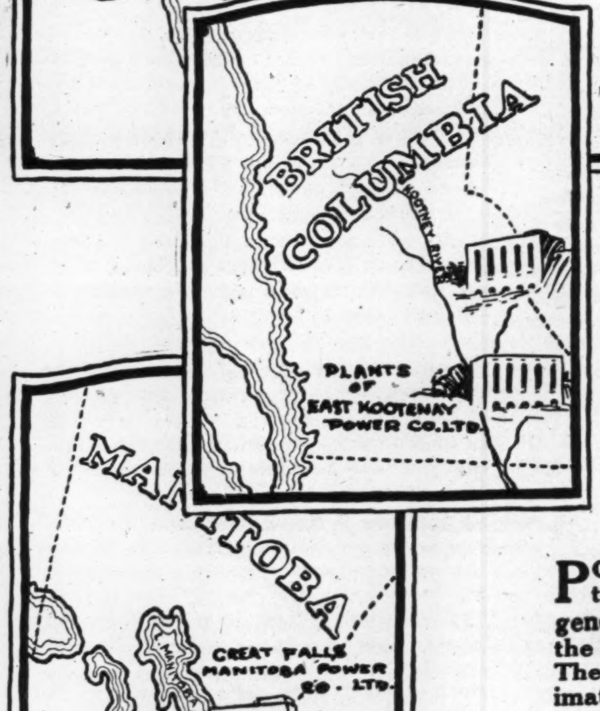

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$2,500,000

POWER CORPORATION OF CANADA LIMITED

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POWER CORPORATION OF CANADA, LIMITED, owns, controls, or has substantial interest in twenty-four hydro-electric generating plants of growing and prosperous companies located in the Provinces of Quebec, Ontario, Manitoba and British Columbia. The combined installed capacity of this system is equal to approximately one-tenth of Canada's present total hydro-electric power development. These companies have an installed capacity of 435,000 h.p. with an ultimate capacity of 700,000 h.p. They serve a population of over 1,000,000 and have gross earnings annually of nearly $13,000,000. This issue, the senior security of the company, combines safety with diversification.

Water power is a basic industry which converts waste energy into a wealth-producing product, which, while used, is never consumed and for which there is an ever-increasing demand.

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TORONTO, JANUARY 14, 1927

TOOKE BROTHERS

THE opposition which investors may rightly feel towards the proposed plan leading to the liquidation of the arrears of dividends on the preferred shares of Tooke Brothers, lies not in the fact that the common shareholders are not giving up sufficient to compensate the preferred shareholders in foregoing their dividend claims, but in the fact that nothing which the common shareholders have to offer can in any way compensate the preferred for their dividend arrears amounting to over 35 per cent.

Under the present plan the common shareholders forfeit much—much of their shares. But this means little to the preferred shareholders who are expected to be pleased at receiving shares which of recent years on an earning power basis are worthless, and on a stock market basis are of little more value.

Some holders of the preferred shares feel that in purchasing the stock they bought it on the solemn understanding of the company that they would be entitled to annual dividends and dividend arrears as, if and when earned. At the present time the company is earning its preferred dividends; it is felt there is no reason why the dividend should not be paid and there are probably many preferred shareholders who are quite willing to wait very patiently for these arrears. Should the arrears never materialize, the common shares would be of little value anyway. Hence the present proposal which is before the preferred shareholders seems to hold few advantages and many disadvantages for, as has been said, without foregoing all their holdings, the common shareholders have practically nothing to offer the preferred in lieu of their claims to arrears.

WHICH KNEW NOT JOSEPH

Now there arose up a new king over Egypt which knew not Joseph.

JOSEPH had been an uncrowned king of Egypt. Egypt owed him much and owed his descendants, fellow-Israelites, hardly less.

But a new king who arose did not know this and a new generation could see only an alien people among them who had done well by themselves. The fair inference is that, if the name of Joseph had held its true power and influence in generations following his death, the Israelites might never have known the Egyptians as cruel and unreasonable taskmasters.

There is a moral for modern business in history as recorded in the first chapter of Exodus. A great name, a revolutionizing invention, or a novel, yet sound, policy, frequently brings enormous initial success and builds up a great commercial house. Any one of these things will give a business a momentum which will carry it for a long time, perhaps through several generations.

But momentum is without driving force.

Thus the need for institutional advertising, else a new generation may arise which knows not Joseph.

C.N.E. AND SESQUI

POST-mortem discussions of Philadelphia's Sesqui-Centennial exposition failure continue. Such reviews, although somewhat inclined to become heated, serve a useful purpose. They lead to a searching analysis of the causes of failure and thus establish a basis of experience from which other expositions may benefit. The "flop of the Sesqui" is not without its interest for Canada, since there were some Canadian exhibits there though chiefly because "world's fairs," "industrial exhibitions" and similar big shows are actively boomed in different parts of Canada from time to time.

As the discussion goes on, opinion is again to centre on a definite group of contributing causes for the Sesqui failure. Undue haste in attempting to hold the exposition before it could be properly planned; lack of completion of the buildings before the opening; failure to induce a representative group of states and nations to send exhibits; over-emphasis of stadium features, such as a prize fight; autocratic and inefficient management; and the use of a press agent instead of paid advertising to inform people concerning the big fair; such were the reasons for the failure.

It has also been suggested that the day of the big fair is over; that people to-day are too sophisticated and too well-informed to travel miles to see a world fair. When this suggestion is raised, the Canadian immediately rises in protest with the question, "If that is so how do you account for the yearly-increasing success of the Canadian National Exhibition?" In the most exhaustive analysis of the Philadelphia failure that has appeared—that in the Commercial and Financial Chronicle of New York—appears a paragraph of some significance. It says: "At some great world cross-roads of trade, some great cosmopolitan centre of population, a permanent exposition should be builded where, continuously, the good will of trade might be furthered, and, where at proper intervals especial gatherings of the peoples of the earth might be assured, that they better know and respect each other. This would tend to prevent future rivalry of cities to exploit themselves and diminish their failures. The United States should follow the policy of France of encouraging permanent or periodically recurring expositions."

The alternative of such a plan is to abandon all expositions "as unwise and wasteful," thinks the Chronicle.

What better endorsement could one have of the plan under which the C.N.E. is operated. But the C.N.E. needs no theoretical argument to prove its success. In two weeks each year it shows to nearly a third as many people as saw the Philadelphia fair in six months. And its annual operating surplus of over $200,000 is generous rent to the city of Toronto for the use, for such a short period of the year, of an exposition park that is an asset to the city the year round.

ONE THING TO AVOID

THE West Indies steamship service, which the Canadian government promised under the terms of the West Indian treaty, will have to be provided soon or the whole treaty will have to be revised. The government in a few days will have in its hands new tenders from private steamship companies indicating the terms on which they—if there are any tenderers—will be ready to undertake a service. Probably it means a bonus of around half a million a year from the public treasury to the company undertaking the job. It will be an expensive proposition at best.

One thing, however, ought not to be done. The government of Canada should not go further into the steamship business. If it cannot make arrangements with private companies to take over the steamship service, even on the basis of a huge annual subsidy, it should be warned and call off the whole treaty before adding to the colossally wasteful government merchant marine service; a service that has already proven a sinkhole for many millions of public funds.

If the private companies will not handle this service then it is best to have no established service at all. Rather, do without it at all than have the government marine add another half dozen boats that will have to be built from the keel up at tremendous expense and put into operation further to disorganize shipping and to add to the taxpayer's load.

Men in touch with the situation feel, however, that some proper contract can be arranged with private shipping interests to give a proper service without going to the unfortunate extreme of investing public funds in more boats.

BRITISH SALESMANSHIP

SUNDRY British papers, the Empire Mail, the Leather World, and a few others, have been having a jolly good time discussing an article that appeared in The Financial Post some months ago. This article was an unvarnished, unalloyed account of an interview with a British manufacturer, who had attempted to sell his goods in Canada, who had failed in the attempt and who was, therefore, packing up his sample kit and returning home quite disgusted with Canadian trading; ready to carry on without the Canadian market for another 150 years since his firm had gotten along without it for that period in the past.

The story was told by The Financial Post, frankly, as the horrible example of how the British manufacturer should not attempt to capture the Canadian market. The article wound up with instances of successful British trading in Canada together with some helpful hints, given by one of the successful British firms, for establishing a strong foothold in this market.

A good many of these British editors who read The Post got hold of The Post's article, must have read half way through it, observed the experience of the one unsuccessful firm (an experience, however, that is not without its many counterparts) and failed to find the brighter picture that the article also contained. Anyway we find that The Financial Post is coming in for some stern scolding from British papers for having run the article. Some of them openly charge us with having attempted to pull their editorial leg; one journal states, "Colonial papers, whilst on the surface of things professing to encourage British trade, have at times a queer way of doing it; so much so that we have at times felt rather inclined to pray for deliverance from our friends."

Let us pass over the description of The Post as "a colonial paper"; the phrase is certain to arouse the boiling wrath of W. L. M. King, John S. Ewart, K.C., and others who are rightfully touchy on the matter of reference to things Canadian as "colonial." The important thing is that the British papers that have been discussing The Post's article have been hastening to correct the impression that British are unsuccessful in Canada by quoting innumerable examples of British firms that have made good in merchandising their goods here.

Even if The Post had been misunderstood and misinterpreted in this matter, it has at least the satisfaction of knowing that its articles have called for these protests and this discussion. Both will do much good in Britain.

British firms can make good in Canada and they have everything in their favor including a preferential tariff; a pre-disposition on the part of the people to favor things British made; and the very best of banking and transportation arrangements. All they have to do is to use the same degree of common sense and good business judgment that has made them successful traders at home and in other parts of the world; to adapt their goods and their merchandising methods to Canadian habits and they can build up large markets for their goods. If their competition is fair competition, they will be welcomed. Their efforts, too, will help to strengthen trade within the empire.

HUNGARIAN SETTLERS

IN THE years immediately following the war, immigration restrictions were placed on former enemy countries. The Financial Post had no sympathy with this policy, and soon began to advocate particularly the removal of restrictions against the Hungarians, and especially that section of Austria-Hungary which was taken over by Roumania, where there were 3,000,000 dissatisfied farmers, chiefly of Saxon ancestry. Hon. J. A. Robb, then Minister of Immigration, quickly saw the foolishness of the restrictions, and put the Hungarians on the preferred list.

A report recently prepared on Hungarian settlers in Canada confirms the policy of The Post and the wisdom of Hon. Mr. Robb, as follows:

"Of the 13.181 Hungarians listed in the census of 1921 for the whole of Canada, 8,946 are found in Saskatchewan, 1,045 in Alberta and 828 in Manitoba.

"A letter from I. M. Uhrich, Provincial Secretary and Minister of Public Health, Regina, to Ivan Hordosy, Winnipeg, and dated May 28, 1924, is quoted.

"'It is a great pleasure for me to be able to inform you that the immigrants who have come to Saskatchewan from Hungary have proven themselves in every way respected, law-abiding, good citizens. They are engaged principally in agricultural pursuits and their efforts have been marked with a great deal of success. They have ever been anxious to conform to the requirements of good citizenship and have been eminently successful in establishing fine and comfortable homes in this western land.'

"We have also a report on the Hungarian area east of Wakaw, Saskatchewan, which may be taken to apply generally to Hungarian farm settlements in the province. The report states that these people are of the Magyar race. They came from territory that was under Austro-Hungarian jurisdiction prior to the war, but is now divided between Hungary, Czecho-Slovakia and Roumania. Their occupation prior to migrating was entirely agricultural; they knew very little. No special provision was made by the Canadian government other than the usual homestead privileges. The population of the Wakaw district is 2,700 and the market centres are the villages of Wakaw and Cudworth on the Prince Albert-Young division of the C.P.R.

"As to the economic situation of these settlers, the report says they have made great progress in bringing land under cultivation, sometimes under difficulties. They have erected excellent farm buildings, they are good farmers, keeping down weeds on the whole better than English-speaking farmers throughout the area. With few exceptions they own or have an equity in their farms. During the prosperous farming years they made the most of their prosperity. The average farmer has a half section or three-quarter section of land with eight to ten head of horses, five to ten milch cows and ten to twenty head of cattle, twenty to thirty pigs, sufficient implements and a few have light tractors.

"They have established good schools throughout the area. The parents insist on their children first learning English.

"The greater number are of the Roman Catholic faith, but there are some of the Baptist denomination. They have churches throughout the district.

"There is a general tendency among all classes to accept our political system and it is universally acknowledged by these people that they are much better off under our system of government than they were under that existing in the land of their nativity.

"They have a 'Get Together' organization in the villages, the object being to promote closer relations between the English-speaking and the foreign settler.

"The younger generation are adopting Caandian customs entirely, the original immigrant is doing so as extensively as can reasonably be expected. All are generally law-abiding."

In the light of such results, are we sound in barring European immigration almost entirely?

EDITORIAL NOTES

NO SIGN of Canada retiring at 60.

Great Field of Service for Canada Lies Before Dominion Trade Board

Mighty Purpose and High Ideals Seized by New Executive Officer of Canada's Newly Organized National Board of Trade

The newly organized Dominion Board of Trade, has begun to function. Wendell McLaren Clarke, its executive officer, assumed office on January 1, and has opened headquarters in Montreal. The executive, drawn from leading business men in every quarter of the Dominion, is shaping plans and policies. Canada, last among the important business nations of the world to establish such a national body, has an organization of great promise to serve its business economic interest.

At a meeting of the executive of the board held in Toronto this week, Mr. Clarke outlined the objectives of the new body. His speech was able, idealistic, practical. The Financial Post is privileged to present Mr. Clarke's address herewith.

By W. McL. CLARKE.
Executive Offices, Dominion Board of Trade.

W. McL. CLARKE

In accepting the offer of the executive to be the secretary of the Canadian Board of Trade, I wrote to our chairman in some such words as these:

"I should like to believe, in assuming this responsible office, that the propulsive idea behind this Dominion organization is national and non-political; that, in general, its scope will be the welding together of our varied Canadian economic interests into an accepted and composite whole; the creation and the pursuance of policies which will come to have Dominion-wide endorsement; and the shaping of a public opinion among the business community from coast to coast which can be justly regarded as representative in any approach to the government of Canada."

Herein then are the terms of my charter of employment which has had the imprimatur of the executive of this our Dominion Board of Trade which is, and which is to be, a national, or that is, Dominion wide federated organization of business men, serving every legitimate interest of business, fostering its development, and actuated by purely patriotic motives.

Stimulate National Idea

According to the constitution, the object of the Canadian Board of Trade shall be to stimulate and maintain a vigorous Canadian national sentiment and to co-operate in promoting efficiency and in extending the usefulness of the various boards of trade and chambers of commerce throughout the Dominion. First, then, let us consider this question of co-operation.

There are in Canada admittedly many diverse business interests. We have our farms and industries, our importers and exporters, our retailers and wholesalers, our financial corporations, our transportation systems, our city, our rural and provincial life and our separate boards of trade and chambers of commerce—to mention the more obvious—and they are all playing a very important and praiseworthy role in our national life. Each interest, however, is in a large measure concerned with its own in-

(Continued on page 23)

Stock Market Transactions

Promptitude
Exactitude
Vigilance
in clients' interests.

All Stocks All Markets

Cochran Hay & CO., Limited.
INVESTMENT BANKERS
TORONTO
Dominion Bank Bldg.
KITCHENER 58 King St. West
LONDON 202 Dundas Bldg.

J. STRATHEARN HAY
Member Toronto Stock Exchange

Investment Securities

Which Do You Need Most:

Security?
High Income Return?
Marketability?
Speculative Possibilities?

It is not economy to buy what you have no use for.

Consult us freely.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

WANTED:

A conjurer, a hat and a rabbit.

A FEW weeks ago I received a telephone call from an advertiser. Said he, "To-morrow we have a sales and advertising conference. Someone suggested (rather late, I admit) that we call you in. Our problem is so and so and so and so. I'd like you to put in a written proposal as to how you would spend so much money to solve it."

As gently as possible I explained that I wasn't a wizard and that anything I might suggest at such short notice would be mere preliminary thinking aloud and that any ideas that might occur to me off-hand would probably be abandoned after reflection.

"No matter," said he, "let me have something to put before our meeting to-morrow." So I wrote a non-committal letter making my position clear and advancing a few suggestions.

Meantime, holidays intervened and nothing could reasonably be done in the way of investigation to determine certain facts. Within a week, however, I reported upon facts gained by hurry-up inquiries in limited localities from which certain deductions might be made.

"But," said the prospect, "have something definite to recommend. Our board meets for final decision to-morrow and wants something concrete to look at. Several firms are putting in plans and copy, illustrations n'everything and if you want a 'shot' at this account you must suggest something definite at once, otherwise I'm afraid you'll be out of the running."

I decided mentally right there that I'd be "out of the running." I am.

In point of fact this firm had had about two years to prepare for the condition now facing them—but they may actually have expected me to solve the problem in a few hours — like a conjurer drawing a rabbit from a hat.

This advertiser has already spent a considerable sum with indifferent results. Nevertheless, they are going to spend more upon someone's ability to produce over-night a pretty portfolio with some "snappy" advertisements that will tickle somebody's vanity.

And someone is going to say to an associate, "Gee, we sure put that one over all right."

They surely have.

My purpose in relating this incident in the day's work is to make my position clear to advertisers and to prospective advertisers. Resultful advertising is not a matter of getting up a few pretty sketches and catchy wording to appeal to any buyer's snap judgment. It's a matter of constant application of judgment and resources to meet and overcome conditions as they arise. If experience goes for anything in any business, it certainly stands for this in advertising. And sound work can only be prepared from the inside out, not from the outside in.

Untold money is frittered away, by advertisers permitting salesmen to flatter their vanity.

"Don't thrust your judgment on the prospect. Find out what he wants and give it to him. He's paying for it," was a standing instruction to salesmen in one firm that I am familiar with. And that still goes.

Mind you, it's often the advertiser's fault. But the waste of money and time and effort is appalling.

In the seven years that I've been running this business it hasn't been necessary to do business that way and while I'm running it —it isn't going to be.

If you want me and my organization to assist you in the preparation and placing of your advertising, you must first retain us to do it in the same way that you would engage a sales manager or salesman or any other executive.

No customer is asked to appoint me for a year or for any definite period. I am willing to stand or fall upon the results of my work, day by day, month by month, year by year. The only thing I have to sell is judgment in sales and advertising matters, plus the organization necessary to carry out the work decided upon, plus the reputation gained by twenty years' experience with advertisers in Canada, United States and Great Britain.

Phone Adelaide 6222
Northern Ontario Building
Toronto
And at 164 St. James Street, Montreal

Thornton Purkis
Sales and Advertising Counsellor

Valuation of Securities

The new year is, of all periods, one of the most opportune times for carefully examining any investments already held.

The valuation of such securities at frequent intervals is one essential which many investors have found to be of very first importance. It may enable the investor to take advantage of a favorable market for the sale of some securities. It may reveal the fact that some securities should be sold as a protection. Early maturing securities can often be exchanged to good advantage.

We shall be glad to make valuations for any holder of securities without obligation, or to make suggestions as to the betterment of holdings.

Inquiries invited.

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET WEST — TORONTO
TRANSPORTATION BLDG. — MONTREAL
BELMONT HOUSE — VICTORIA, B. C.
LONDON BLDG. — VANCOUVER, B.C.
11 WALL STREET — NEW YORK
GRESHAM HOUSE, OLD BROAD ST. — LONDON, E.C.2, ENG.

Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Cosgraves Brewery

Would appreciate any information you can give me regarding Cosgrave Brewery stock as a speculation. In your opinion is stock purchased at 8½ worth holding?

Stock in the Cosgraves Brewery Company is not very well regarded.

It would seem advisable for you to sell this stock, if you can do so without taking much of a loss. While the prospects of all the brewing companies in Ontario have increased somewhat since the general election on December 1st there appear to be reasons why Cosgrave will not pay dividends soon.

The company has been in litigation with the government.

Spruce Falls Power

Can you tell me anything about the proposed pulp and paper mill mentioned in the enclosed clipping? How far is it from the main line of the Canadian National Railways and is the pulp mill and power plant at the same site or some distance apart? Any information you can give will be very thankfully received.

The Spruce Falls Power & Paper Co. is constructing two power plants; one small one at the mill, which is located within a stone's throw of the Canadian National Railway station at Kapuskasing and the other at Smoky Falls, which is about 40 miles down the river from Kapuskasing.

This, with the information published in our original despatch from Montreal, is all which is available at the moment.

Goodyear Cotton

Will you please let us have some information on the Goodyear Cotton Co., that is, the present market on this stock, and also how the company is generally regarded?

Preferred stock in the Goodyear Cotton Co. is selling around 99 and is considered worth that price. There is no market for the common, as it is nearly all held by the parent company, which is the Goodyear Tire & Rubber Co. of Canada.

The Goodyear Cotton Co. must be highly regarded because of the splendid position occupied by the Goodyear Tire & Rubber Company under the management of D. H. Carlisle, president. The entire output of the cotton factory at St. Hyacinthe, Que., is taken by the tire company, eliminating all sales expense and credit risks. The investment appears to us to be safe. The 7 per cent. dividends are cumulative. However, the stock is saleable at par.

Alberta Pacific

Please let me have your views regarding the Alberta Pacific Grain Company preferred shares, with a bonus of common stock, especially regarding the increasing competition which the western wheat pools are giving the company.

At the present time, the prefered shares only of the Alberta Pacific Grain Company sell at around 90. This makes a yield of 7.78 per cent. From this, you will see that the preferred stock is regarded in a speculative light. If the stock were not speculative, the yield would be much lower. With the bonus of common stock, the preferred of course sells much higher.

While the operations of the wheat pools are growing, and will doubtless continue to grow, nevertheless, the Alberta Pacific Grain has done extraordinarily well in the past, and at present is headed by men with reputations of long standing in the grain trade.

As you are aware, the company is headed by James Stewart, who is president of Maple Leaf Milling and a director of the Bank of Montreal and the Canadian National Railways, and was former chairman of the Canadian Wheat Board.

The company operates under excellent management, and will doubtless be able to hold its own with competition.

The operations of the wheat pools have resulted in better and closer cooperation between the privately owned elevators. Every farmer in the West is not a member of one of the pools and, furthermore, some of the pools do not go into the elevator business. What the Alberta Pacific Grain Company has to fear in this connection then is simply competition. The wheat pools are not going to enter into competition with any of the private companies at points where neither can make money by such competition. In the past, the company has had to meet competition and we would say that it should be able to meet it in the future.

The co-operatives will only enter the elevator business where they believe they can make a profit—this has been the exact competition which the company has successfully met in the past.

Of course farmers would favor the use of their own elevators but in some cases the farmers have not the financing to erect the elevators and in some instances do not desire to erect them.

T.G. & B. Railway

I found hidden away in our vaults some shares of the Toronto, Grey and Bruce Railway. Are they of value?

Thirty-three years ago, the Toronto Grey and Bruce Railway was leased to the Canadian Pacific Railway for 999 years. The annual rental which the C.P.R. pays amounts only to the interest on the bonds of the Toronto Grey and Bruce Railway.

Therefore, 966 years hence, the shares may have some value; in the meantime, they are valueless.

Copeland Milling

One of our customers has been holding, for some time, five shares preferred stock and five shares common stock of the Copeland Flour Mills, Midland, Ont. I have heard that the company has experienced a better year during 1926 than they have for the last few years and I would appreciate your opinion on the company, also giving me last quotations on the stock if there have been any recent sales.

The Copeland Milling Co., of Midland, Ont., had a net profit of $31,000 in its fiscal year 1926 as compared with a net loss of $40,000 in its fiscal year 1925. It is reported that this company is operating its mill to capacity and that its export orders are very good. Prospects of dividends may be somewhat remote but apparently the company is steadily improving its position. The last quotation on the stock was $22 for the preferred on December 28th. There has been no recent public sale of the common stock.

Paper Securities

I am holding the following securities: Bonds of the Fraser Companies, bonds and preferred shares of the St. Maurice Valley Corporation, bonds and preferred of the Port Alfred Pulp and Paper Corporation, bonds of the Minnesota and Ontario Paper and preferred of the Anticosti Corporation. I should greatly appreciate your advice on my holdings. Do you consider that they are sound securities and unlikely to depreciate in value? Would you suggest changing any of them?

As far as we can gather from your letter, your entire investment holdings are tied up in the securities of pulp and paper companies. In doing this you are neglecting one of the prime requisites of proper investment, namely diversification. Should the pulp and paper industry enter a period of bad times, all your holdings would be affected, at least to some extent.

The St. Maurice Valley, the Port Alfred, the Minnesota and Ontario and the Fraser Companies bonds we consider to be satisfactory issues.

The preferred of the Anticosti Corporation, Port Alfred and St. Maurice we would consider as investments for a business man.

With the exception of the Fraser companies and the Anticosti Corporation these companies are large newsprint manufacturers; the Anticosti Corporation is dependent for its earnings on the sale of pulpwood to three newsprint companies.

From all we can learn, there seems to be a grave danger of some newsprint over-production during 1927. If this takes place it will obviously affect the newsprint producers and tend to reduce earnings. Therefore, there is the possibility that the newsprint stocks as a group may decline a little within the next six months.

Our belief is that the newsprint industry is an excellent investment for those who are willing to buy their securities and hold them over the next two, three or four years. If there be some newsprint surpus shortly, such a condition would without doubt adjust itself in due course and as the newsprint industry in particular and the pulp and paper industry in general is indigenous to this country, we believe that these companies will show a growth.

In the meantime though, you must not be disappointed if there should be some market reaction in the shares of the newsprint securities. It all depends on whether or not the United States is able to absorb the large increased production coming on the market within the next six months.

As we have already said, if all your holdings are tied up in pulp and paper companies, we would strongly urge you to sell the major portion of such holdings and to spread your investments throughout other industries so that by diversification the income from such holdings may be the more assured.

Bourlamaque

I would like a confidential opinion on a couple of mining issues—Bourlamaque Syndicate, and Vickers.

Would like to know if the above stocks are worth the market, or shall I unload? I have the first at $1.20, and Vickers at 94½ and 99½.

Your profits on both these issues are substantial and you might be well advised to take them and get into some of the dividend paying producers.

Porcupine Mutual

Would appreciate information regarding Porcupine Mutual Gold Mines.

This is a gamble. The property has something to recommend it but we doubt if the company itself has. The shares have been peddled around at a cent or so; at least that was the case sometime ago. We have not heard lately. The operation is dormant.

Trading in Unlisted Securities

The majority of Canadian Bonds, and many issues of sound Preferred and Common Stocks, are not listed on the stock exchanges. Therefore, unless the investor knows of an investment house which maintains close contact with the unlisted security markets, it is difficult for him to obtain accurate and reliable quotations when he wishes to buy, sell or value securities of this type.

The Royal Securities organization is represented in principal business and financial centres from Newfoundland to Vancouver Island, as well as in New York, London and the West Indies. Through direct contact with local markets, plus private wire connections between Montreal, Toronto and New York, we are able to submit quotations and general information promptly.

If you are an investor in unlisted securities, consult our Trading Department.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

32

Making Money on Second Mortgages

Investor in Second Mortgages Should Deal Only With Reliable Persons as Mortgagors, Lawyers, Surveyors or Valuators

By F. W. KEMP.
Second of three articles.

There are certain pitfalls for the buyer of second mortgages which he must guard against. They are not easily detected. Often fraud is attempted and if possible the purchaser of second mortgages should deal with people of whose integrity he is sure. This applies not only to the solicitor, valuator and surveyor he employs and relies on, but also to the people from whom he buys the mortgage and the people to whom he must look for payment of the mortgage. This, of course, is not always possible, as the best investments are in cities where usually the vendor of the mortgage and almost always the mortgagor and the owner or tenant of the property are all strangers to the investor. Inquiries, however, can be made and it must be remembered that neglect to take precautions may mean a loss. A mortgage may measure up to standard on several requirements and still be worthless as even a speculation by reason of failure on another. Some of these flaws seem to be of a rather glaring order and yet it is surprising the frequency with which they occur.

Mortgages with Imperfect Title

There is no excuse for a person purchasing a mortgage with an imperfect title and yet it does happen. Sometimes old mortgages are paid off but not discharged—sometimes a writ of execution in the sheriff's office, which is a charge on the lands, is forgotten. This often happens without intent to defraud but not always can it be remedied when discovered. Whenever a mortgage is purchased a search on the title should be made.

Surveys should also be carefully scrutinized. Many second mortgages are sold in new sections where house numbers change rapidly and often even before there are any house numbers at all. Without care it is easy for the investor to make the error of inspecting one house and purchasing a mortgage on the adjoining one. If the survey does not definitely identify the house, inquiries should be made of the surveyor and if necessary he should be required to go to the house and identify it as the house shown on the sketch.

Valuator Must Be Honest

As to valuations the investor must rely on his own judgment or on the integrity and good judgment of a professional valuator. No matter what else he may be, the valuator must have a sound knowledge of real estate value and he must be absolutely honest. These two qualifications are absolutely indispensible. A dishonest valuator can ruin the strongest loan company and the private investor likewise cannot afford to trust to any save those of unquestioned integrity.

The rights of the mortgagee against people as opposed to his rights against property are subtle and difficult to guard against. For a discussion of this question, second mortgages may be divided into two large classes. In the first class is the mortgage given by a purchaser of property to his vendor to secure the payment of the balance of the purchase price.

In the same class for the purposes of this article, is the second mortgage given by the owner of the land to the builder of a building on the land to secure payment of a balance of the contract price. These are the mortgages usually offered for sale to the investor. A similar second mortgage, but one that is not often on the market is one given in payment of the purchase price of land by a builder when completing the purchase of such land on which he has built. He has arranged a first mortgage on the house and to assist in financing his building operations he arranges with the person from whom he purchased the vacant land to give a second mortgage for the balance of the purchase price. In such cases the builder builds while he holds the land under agreement. Then the deed, first mortgage and second mortgage are all completed at about the same time.

When Cash Is Involved

The second class of second mortgage is that in which the mortgages are given to secure repayment of cash loans. The owner of land goes to a money lender to borrow and offers a second mortgage on his property as security. As these mortgages are usually arranged directly with investors they are seldom sold but are kept as an investment by the original mortgagee. The special difficulties with these, apart from the point which may arise in connection with the routine requirements already outlined, grow out of The Canada Interest Act and such are problems for lawyers.

POST-Scripts

THE other day an address was delivered in Toronto by a certain man. The Financial Post wanted to publish it verbatim so it sent a messenger to the man's office for his address. The messenger slip came back in due course; the messenger had performed his duties to the letter. On the back of the slip was written the man's address. It read "164 Cumberland Avenue."

The next time the messenger went he was told to get the man's speech.

INSIDE information has enabled many an investor to make a fortune. Thus it is well to know of someone whose job it is to hand out inside information free of charge.

On the main floor of one of the largest Toronto department stores is a comely young woman who patiently answers enquiries all day long. A visitor from the tall sticks asked her the way to Greenhorn Avenue.

"I have an idea," said the young woman, smiling sweetly, "but you will get more accurate information at the counter next the elevator. I have only inside information."

WHAT is an agricultural laborer? The question is suggested by the policy of the government in bringing out only farmers from England to settle in Canada. But could not good mechanics make themselves useful on the modern farm?

A leading American financier and business man, writing to a Canadian the other day, suggested that Canada might bring out British mechanics to help on the farms. This was his argument:

"Wheat farming is not exactly farming; it is a mechanical operation. The land is plowed, the grain sowed, reaped, and threshed by machinery and a few good years pay for the land. Some method for Government aid in such a venture would seem to be desirable. The mechanics of farming referred to above would give employment to men who could operate machines. It seems to me that a plan might be devised whereby the machine work could be kept separate from the individual farm—in fact, go from one to another and keep the machines as busy as many days in the year as possible. There is a struggle now in this country as between the small farmer doing his own work and the big farmer depending upon machines for the operation of his land. I am inclined to think that the small farmer is getting rather the better of it, because the machines are not in service enough days during the year."

FOLKS and Finance

AUSTRALIA may have Australian Clubs now, patterned on the Canadian Club idea in this country.

When in Toronto, Premier Stanley M. Bruce, of the Dominion of the Southern Cross, confided to a Toronto man that he had been greatly taken by the Canadian Clubs that he had addressed in Canada. He considered them a very vital and worth while institution and he was much impressed by their very apparent work for Canada and the Empire. He intended, he said, when he got back to Australia to attempt to have something along similar lines organized in his own country.

CIGARS are the traditional after-dinner smoke and public banquets add to the coffers of Cuban and Canadian cigar manufacturers. But there are stalwart souls who defy tradition in this regard. An occasional man is seen at such an affair braving the smoke-screen from his fellow diners' cigars and without indulging in his own soothing and protecting smoke. Others spurn cigars and consume cigarettes. And here and there is a distinctive personality who gets out his old pipe and puffs away in complete comfort while he listens to the oratory at the head table.

Two men who have been observed smoking pipes at banquets are A. E. Phipps, general manager of the Imperial Bank of Canada, and T. G. McConkey, general manager of the Canada Life Assurance Company. If they set a style it will be a sorry day for those who make only cigars.

THE constant reiteration of a single idea, they say, will eventually put that idea across with the most strenuous of the original non-believers. If that be true, Ontario will in time become thoroughly and unanimously convinced that the present provincial government, headed by Hon. G. Howard Ferguson as premier, is the greatest government the province has ever had.

Mr. Ferguson never loses an opportunity to make that claim. On the political platform he says it seriously as an undeniable fact. At luncheons and dinners he says it semi-seriously, as though good naturedly joking with his audience, but the idea sticks just the same.

That Mr. Ferguson is getting his idea across can not be denied. Now, when he is at a public gathering wherever a Liberal acts as toastmaster it is not uncommon for that toastmaster to come out with the phrase in spite of himself and introduce the Conservative prime minister as the "head of the greatest government this province has ever had."

Two things have helped Mr. Ferguson to turn his slogan into a much repeated expression. One is that he is too genial, too quiet, and too mildly insinuating in his manner ever to be accused of blatant egotism. And another is that his government is —well, a good government.

The Greenshields Review

What factors are most likely to affect security prices in 1927?

The Greenshields Review, now in the fifteenth year of publication, presents in the last issue a summary of conditions which is important to any investor. A copy will be sent on request.

Write to Dept. 4

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E. — OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

Other People's Views

Canada in Shipping Business

Nation's Business, Washington. — "What shall we do with our Merchant Marine?"

To get the sentiment of the country on this question, the Shipping Board is holding a series of regional conferences.

Those who favor government ownership or operation are saying that Canada is making money with her government shipping project.

From time to time the impression will get out that the operation of ships or trains or what-not by some government does make money, but careful examination almost invariably shows up the flaw in the reasoning. Often it is the hazy system of bookkeeping that is responsible for the temporary misconception.

As pointed out in "Nation's Business" last November, this is the case with the alleged profits of the New Zealand railways, where the loosest sort of accounting is employed.

Recently the Canadian Government issued a statement which showed a profit of some $77,000 on operations of the Merchant Marine for the first nine months of 1926.

This did not take into account the payment of interest on the huge investment, nor did it provide anything for depreciation.

For the year 1925, the last for which details are available the official records of the Canadian Merchant Marine revealed a deficit from operation of $948,053; interest came to $3,616.027; and depreciation was set at $2,635,762. Also, there was a trifling bill of $498,603 for interest payable on advances made by the Government, chiefly to meet deficits of previous years.

When it is recalled that similar charges will have to be met for the year 1926, an actual loss of about $5,000,000 will be shown, in all probability.

Just another sample of government book-keeping.

What About Tax Reduction?

Sherbrooke Record.—It has been intimated by the Hon. J. A. Robb, Minister of Finance, that some further tax reduction will be made this session. There is naturally much speculation with regard to the probable nature of the reductions. Various interests are seeking to impress upon the Government the special needs of this or that industry.

If the Government wishes to correct injustices of the present tax schedules, it should proceed to consider the situation relative to the double tax on industrial profits.

A year ago when the so-called reductions were made, the burden was merely shifted.

Under the present income tax levy the earnings of all incorporated companies are taxed twice, first, in the hands of the company and, secondly, in the hands of the shareholder recipients.

In the case of persons whose investments are largely in productive industry and who have fairly substantial revenues, the tax amounts to approximately a fifth of total revenues, say ten per cent. paid by the company and another ten per cent., or thereabouts, by the individual.

In the case of persons whose investments are in bonds or who are conducting, or interested in, businesses, other than incorporated companies, only the one tax on proceeds applies.

Thus, under the present system, organized industry is placed under the handicap of a double tax on the fruits of its labor, which is the backbone of the country's commercial and industrial life.

There is an inequality here which constitutes an injustice and a definite handicap in a certain and important part of the country's business.

This situation arose a year ago through the Government's desire to offset the reductions made in other directions.

A readjustment in this regard should be a first consideration in taxation changes this year.

Letters to the Editor

Another Who Liked the Article

Editor, The Financial Post:

The holidays have prevented me from not extending, earlier, my congratulations on the splendid article on the Maritime situation, as written by Rielle Thomson in your paper.

The position of the Maritimes on the whole, I think, has been most admirably presented, though there are one or two points that I do not see eye to eye with the writer. What I do feel is, that you have done, and are doing, a great piece of work for Canada in bringing before your readers this question of Maritime rights. I hope you will still continue to display an interest in their affairs, as I feel sure that we cannot afford to have any part of the Dominion thinking they are not being treated fairly.

Brooklyn, N. Y., C. S. ALLEN.

Nova Scotia's fisheries for the year 1926 yielded 300,000,000 lbs., as against 247,000,000 lbs. in 1925, 219,000,000 in 1924, and 198,000,000 in 1923.

THE NATIONAL CITY COMPANY LIMITED CANADA

New Issue

DOMINICAN REPUBLIC

5½% Customs Administration Bonds

Repayable at maturity at 101 and interest

Dated October 1, 1926 Due October 1, 1940

The issue of these Bonds has received the approval of the United States Government required by the American-Dominican Convention of 1924.

Principal and interest (April 1 and October 1) payable in New York, Boston and Chicago, in United States Gold Coin exempt from Dominican taxes, present or future. Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only.

Not callable before October 1, 1931

Sinking Fund, payable in monthly installments beginning August 20, 1930, sufficient to retire entire issue by maturity at 101; bonds to be purchased in open market or, beginning October 1, 1931, called by lot at 101 and interest.

THE DOMINICAN REPUBLIC, occupying the eastern part of the Island of Santo Domingo and Haiti, West Indies, has an area of 19,000 square miles. The population is approximately 895,000. The principal products are sugar ,cocoa, tobacco and coffee. Its foreign trade has grown from $9,632,926 in 1905 to $52,109,663 in 1925, and has more than doubled in the last thirteen years. In all but one of these twenty-one years exports have exceeded imports. In each year since 1907 (date of commencement of United States Government Supervision) annual customs revenues have been ample for the service of both interest and sinking fund on funded debt outstanding during the year. The proceeds of this issue will be used to construct public works.

DEBT REDUCTION

After the issue of these Bonds the funded debt of the Dominican Republic will be over $5,800,000 less than it was in 1916 or a reduction of about 28% in ten years. Funded debt upon completion of this financing and retirement through sinking fund on February 1, 1927, of remainder of 1908 Loan will be:

20-Year Customs Administration 5½% Sinking Fund Gold Bonds, Loan of 1922	$10,000,000
14-Year Customs Administration 5½% Sinking Fund Gold Bonds, First Series, (this issue)	5,000,000
Total Funded Debt to be so outstanding	$15,000,000

We Recommend these Bonds for Investment

Price 100 and Interest Yielding About 5.55%

(New York Funds)

This offering is made subject to prior sale and change in price. A circular giving full particulars will be sent upon request.

The National City Company
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Head Office — St. James and St. Peter Streets — Montreal
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Millions of Real Estate Carried at Low Value

MONTREAL.—How valuable reserves are built up by banks, for the protection of shareholders and depositors, by the operation of their real estate, was revealed by C. E. Neil, general manager of the Royal Bank of Canada, at the annual meeting of the bank. Many Royal Bank properties are carried by subsidiaries—the Globe Realty Corporation, and the Canadian Realty Corporation.

Through the operation of sinking funds the bank's equity in these two companies has increased by $294,587.60 during the year. In addition, the appropriation of $400,000 has been made in connection with bank premises. Therefore, in all, there has been, directly and indirectly, written off properties $694,587.60 out of the year's profits.

The shares of the Globe Realty stock, which are owned by the bank, and which represent an appraised equity of $8,523,954.31, are carried in the books at $1.

The shares of the Canadian Realty Corporation, representing an equity of $1,718,597.59, are carried at $200,000, but it is expected that this amount will be fully written off during the current year out of profits.

ONTARIO'S BOND SALES SHOW BIG DEMAND FOR BONDS

Best Price Received by Province Since Pre-war Days

The outstanding event of the week in the bond market was the sale of $24,000,000 province of Ontario 4½ per cent. 30-year serial bonds, to a syndicate headed by the Bank of Montreal, at the price of 97.2335, or on a cost basis to the province of 4.74 per cent. Members of the syndicate are: Bank of Montreal, Bank of Nova Scotia, Dominion Bank, First National Bank of New York, Banker's Trust, Lee-Higginson & Co., Kissell, Kinnicutt, Redmond & Co., Clarke-Dodge & Co., Solomon Brothers & Hutzler, Kerr Flemming & Co., McLeod, Young, Weir & Co., Mathews & Co., and Hanson Bros.

There were three bids on this issue the other two being that of the Blair group at 97.1688 and the Harris-Forbes syndicate at 97.1499. The bidding was unusually keen and it is said that this is the best price received by the province for any of its bonds since pre-war days.

To Yield 4.70 Per Cent.

The issuing of serial bonds is a new departure for Ontario. These bonds are dated January, 1927, and will mature in thirty annual instalments of $800,000 each. Principal and interest are payable in Canada. New York City and London, England.

Coming so closely on the recent issue of 40-year Montreal bonds, the high price secured for this issue, is indicative of the existent strong demand for high-grade bonds. The lack of federal government financing during the past year created a paucity of better class securities and this is the first financing on any large scale this year. The provinces of Alberta and Saskatchewan have also issued bonds for smaller amounts and in each instance the provincial treasurer reports receiving a better price than has been paid for some years.

Saskatchewan Debentures Fetch Record High Price

Thirty-year debentures, bearing interest of 4½ per cent., have been sold for $1,468.300, by the Provincial Treasurer of Saskatchewan to the Dominion Securities Corporation of Toronto, at the purchase price of 94.28, or at an effective rate of interest slightly over 4.86 per cent. The money will be used for general refunding purposes.

Financial houses report this sale to be not only an excellent one but to be considerably in excess of the price received for debentures of any western province since pre-war days.

In addition, it should be pointed out that not only is this the best sale ever made in the Canadian and New York markets, but also, with the exception of the first three issues in 1909, 1911 and 1913. is better than any sale made in the London market.

Other tenders received were at the purchase price of 94 and 94.07.

Mistassini Changes Name

MONTREAL.—The name of the Mistassini Power and Paper Company has been changed to the Lake St. John Power and Paper Company. The reason for the change is that Lake St. John is naturally better known than Mistassini, and because there will be no difficulties connected with the pronunciation of the new name.

Quebec Catholic School Board Bonds Offered

An issue of $500,000, 30-year 5 per cent. coupon bonds of the Roman Catholic School Commissioners of the City of Quebec, was offered this week by the Royal Securities Corporation, Limited, at a price of 103 and accrued interest, to yield over 4.80 per cent.

The last financial statement of the School Commissioners, as at June 30th, 1926, shows taxable property valued at $91,000,000; total funded debt, including this issue, $4,824,000; and total assets of the Commission, including sinking fund of $424,758, at $6,068,075.

The principal and interest of these bonds, are unconditionally guaranteed (by endorsement) by the City of Quebec. In addition, a sinking fund sufficient to retire this entire issue by maturity will be created.

Imperial Life Now Has $218,000,000 in Force

Reviewing a year that reflects a rapid expansion in the company's business, G. A. Morrow, president of the Imperial Life Assurance Company, presented his annual report to the company this week. The company show a record for new business written during 1926, with a total of $37,110,654, an 11 per cent. increase for the year.

Commenting on the company's position, Mr. Morrow stated that there had been a record increase in the cash income from premiums and interest on investments; that $121,728 had been realized from the sale of securities and as recoveries made on properties previously written off, and that the company's assets for the year showed an increase of over $5,000 000.

A great proportion of the investments were bought in exceptionally favorable markets, with the result that the average rate of interest is high, and the present market value of the securities is over one million dollars greater than the value at which they are written in the books. A steady improvement in western conditions is reflected in the reduced amount of real estate and outstanding interest appearing in the balance sheet. The average interest yield for 1926 was 6.21 per cent., as compared with 6.23 per cent. for 1925. The surplus earnings for the year stood at $1,828,265, and exceeded the best record of any previous year.

Some of the important figures in the company's report, with the corresponding figures for 1925, are as follows:

	1926	1925
Premium income	$7,952,200	$7,033,261
Interest income	2,210,930	1,891,795
Total	$10,163,130	$8,925,056
New assurance written	37,110,654	33,217,307
Insurance in force	218,230,511	195,068,289
Total assets	40,124,052	35,047,398
Paid to policyholders	3,236,637	3,111,364
Policy reserves	33,552,129	29,480,492
Policy surplus	3,618,970	3,256,647

Bank of Toronto Holds to its 12% Dividend

Prior to the Bank of Toronto annual meeting sundry rumors were going the rounds to the effect that an increase in the dividend or in the capital stock would be arranged. No such arrangement came, but John R. Lamb, general manager said: " We are still adhering to a disbursement of 3 per cent. quarterly, although our earnings in recent years would have permitted of something additional being paid. We believe, however, that in conserving profits and building up our reserves, the stronger and better policy has been followed. Large reserves give additional protection to our depositors and to yourselves, as well as directly and indirectly assisting our earnings.

"In the meantime we have felt that 12 per cent. is a very fair dividend, and that in maintaining this rate and at the same time steadily improving the equity behind your shares, we should merit the approval of both shareholders and depositors. Anything which we are able to put back into the business belongs, of course, to the shareholders, and the full benefit will accrue to them in due time."

Asbestos Bonds React to Favorable News

From Our Own Correspondent

MONTREAL.—The first mortgage six per cent. bonds of the Asbestos Corporation, due 1941, are changing hands at 101¼, a new high. The bonds were offered a year ago by the Dominion Securities Corporation at par. With each bond was a warrant entitling the holder to purchase 5 shares of no-par value common stock of the company at $25 a share, the rights to be exercised prior to January 1, 1931.

The purchasers of the issue have within a year secured a good profit, as the present quotations for the bonds are made without the warrants, and the warrants themselves are now 35 bid.

The general mortgage 6 per cent bonds are in good demand also, and change hands at about 88, giving the investor a yield of 6.7 per cent.

The satisfactory state of the market for both issues simply bears out the recent reports, which indicate that the Asbestos Corporation is finding a better market for its output and is strengthening its position.

Bloor Building Completed; Further Structures to Rise

The Bloor Building, Toronto, is practically completed now and has increased in value considerably since William Brown, vice-president of the United Bond Company, first decided to handle the bonds necessary for its erection.

Several more buildings of the same type as the Bloor Building will be erected shortly in Toronto and other Western Ontario points, the first mortgage bonds for which will be underwritten by the United Bond Company.

A story is to the effect that the Hudson's Bay Company of Canada has optioned the corner of Bloor and Bay Streets for a Toronto store. This is on the opposite corner from the Bloor Building.

Sun Life Shareholders' Participation Smaller

From Our Own Correspondent.

MONTREAL.—A special general meeting of the shareholders of the Sun Life Assurance Company of Canada has been called following the annual meeting in February to consider an application to parliament which the company is making to amend its act of incorporation. The principal features of the bill consist of a clause clarifying certain ambiguous phraseology in the charter as it at present stands confirming the authorized capital as $4,000,000, and at the same time reducing the stockholders' proportion of the profits of the participating branch to 4 per cent. in five years to 3½ per cent., and in ten years to 3 per cent. of the profits actually distributed each year. The Insurance Act allows stockholders a maximum of ten per cent. of the profits of the participating branch, but the Sun Life many years ago voluntarily reduced this to five per cent. and now proposes still further reductions, so that the participating policyholders shall ultimately receive ninety-seven cents out of every dollar of profit earned by their policies.

BEACON OIL CO.

At the annual meeting of the Beacon Oil Co., Daniel B. Priest, of New York, was elected a director to succeed the late Galen L. Stone.

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Bank Assets Again Show Big Increase

Statement of condition of all Canadian banks as at the end of November reveals a continuance of the trend noticeable in the past year. This is towards a more profitable employment of bank funds, which are themselves increasing month by month.

The Financial Post's analysis of the bank statement is as follows:

BANK STATEMENT FOR MONTH OF NOVEMBER

	Nov., 1926 $	Oct., 1926 $	Change $	Nov., 1925 $	Change $
Immediately Available Liquid Resources — Assets					
Specie	87,034,736	69,082,382+	17,952,354	84,242,495+	2,792,241
Dom. Notes	136,840,981	123,723,866+	13,117,115	148,117,756—	11,276,775
Gold Reserves	70,660,332	67,660,332+	3,000,000	70,660,332	....
U. K. Banks	13,551,102	11,939,721+	1,611,381	11,261,433+	2,289,669
Foreign Banks	54,963,811	60,774,631—	5,810,820	60,415,454—	5,451,643
Foreign Curr.	32,013,160	19,008,529+	13,004,631	35,351,448—	3,338,288
Govt. Secs.	304,472,901	324,720,630—	20,247,729	363,895,677—	59,422,776
Call Loans Abroad	288,902,941	267,903,188+	20,999,753	248,762,846+	40,140,095
	988,439,964	944,813,279+	43,626,685	1,022,707,441—	34,267,477
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	119,953,582	119,789,822+	163,760	137,910,115—	17,956,533
Rly. Secs.	56,262,613	61,809,085—	5,546,472	57,170,623—	908,010
Can. Call Loans	141,379,542	148,809,182—	7,429,640	143,396,500—	2,016,958
Current	986,400,696	983,440,760+	2,959,936	909,977,043+	76,423,653
Loans Abroad	241,337,902	264,653,321+	23,315,419	220,067,285+	21,270,617
Prov. Loans	20,425,178	18,690,139+	1,735,039	29,899,151—	9,473,973
Municipal	69,181,880	68,247,625+	934,255	61,025,272+	8,156,608
	1,634,941,393	1,665,439,934—	30,498,541	1,559,445,989+	75,495,404
Other Assets					
Non-Curr. Loans	8,903,699	9,962,574—	1,058,875	9,786,915—	883,216
Real Estate	7,948,782	8,125,363—	176,581	8,531,722—	582,940
Mortgages	5,824,489	5,955,898—	131,409	4,941,568+	882,921
Premises	70,560,906	71,183,156—	622,250	72,800,789—	2,239,883
Lets. of Credit	79,334,371	77,564,479+	1,769,892	70,122,256+	9,212,115
Loan to Comp.	5,239,093	5,842,613—	603,520	5,353,319—	114,226
Other Assets	2,963,107	2,956,751+	6,356	3,641,678—	678,571
	180,774,447	181,590,834—	816,387	175,178,247+	5,596,200
Total	2,804,155,804	2,791,844,047+	12,311,757	2,757,331,677+	46,824,127
Note Cir. Dep.	5,766 650	5,766,650	....	5,798,789—	32,139
Int. Bank Bal.	140,446,955	136,691,780+	3,755,175	236,821,521—	96,374,566
Gross	2,950,369,409	2,934,302,477+	16,066,932	2,999,951,987—	49,582,578
LIABILITIES TO THE PUBLIC — Liability to Government and Circulation					
Circulation	177,777,181	187,011,196—	9,234,015	183,511,367—	5,734,186
Dom. Govt.	12,886,352	18,349,410—	5,463,058	80,342,471—	67,456,119
Prov. Govt.	15,556,153	27,353,373—	11,797,220	15,825,106—	268,953
Govt. Advances	13,150,000	24,800,000—	11,650,000	7,000,000+	6,150,000
Deposits by Public					
Demand Dep.	602,882,638	575,930,066+	26,952,572	654,234,843—	51,352,205
Savings Dep.	1,367,295,012	1,347,564,144+	19,730,868	1,298,831,228+	68,463,784
Total	1,970,177,650	1,923,494,210+	46,683,440	1,953,066,071+	17,111,579
Foreign Dep.	351,250,875	333,785,806+	17,465,069	359,675,989—	8,425,114
Due Banks Abroad, Etc.					
United Kingdom	6,287,887	6,656,597—	368,710	6,151,813+	136,074
Foreign	39,960,862	40,324,490—	363,628	38,133,497+	1,827,365
Bills Pay.	9,717,854	11,334,598—	1,616,744	13,056,682—	3,338,828
Lets. of Credit	79,334,371	77,564,479+	1,769,892	70,122,256+	9,212,115
Other Liabilities	1,930,032	1,820,402+	109,630	1,585,325+	344,707
Public Liab.	2,678,029,217	2,652.494.561+	25,534,656	2,728,470,577—	50,441,360
Due Bet. Banks	13,905,910	15,927,857—	2,021,947	16,805,186—	2,899,276
Liability to Shareholders					
Dividends	3,940,420	1,986,069+	1,954,351	3,921,120+	19,300
Reserve	125,441,700	125,441,700	....	125,441,700	....
Capital	117,164,660	117,159,806+	4,854	116,164,660+	1,000,000
Gross	2,938,481,907	2,918,009,993+	25,471,914	2,990,808,243—	52,321,336

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DEBT DOWN, CITY FINANCE IMPROVES IN SASKATCHEWAN

Say Present Rate Will Retire Debentures in Seven Years

Reduction of the direct debenture debt in rural municipalities and villages in Saskatchewan is being steadily maintained year by year. At the present rate of net decrease their debenture debt should be almost wiped off in about seven years, according to the annual report of the deputy minister of municipal affairs. In addition a remarkable improvement has occurred in towns as a result of the readjustment of debenture debts following default of principal and interest in several instances. The net result of readjustments during 1925 is a reduction of approximately $620,000 in the debenture liability of all towns. This does not include the decrease due to actual repayment or sinking fund provision.

Moreover, the average per capita burden, for direct debentures only, has decreased since 1921, 37 per cent. in rural municipalities, 38 per cent in villages, 18 per cent. in towns and 14 per cent. in cities. Since 1921 bank loans have decreased 78 per cent. in rural municipalities, 68 per cent. in villages, 59 per cent. in towns and 25 per cent. in cities.

Tax Collections Improve

Tax collections continue to show an improvement in each of the four classes of organized municipalities, the most remarkable being in rural municipalities where an increase of over 5½ per cent. over the previous year took place. Two-thirds of the taxes to be collected in rural municipalities were actually realized in cash during the past fourteen years. Towns also show an improvement of over 5½ per cent. for 1925, but the results of that year do not constitute a record. Village tax collections are almost 3 per cent. better than 1925 and cities about 1 per cent.

In urban municipalities there appears to be a tendency to reduce the taxpayers' share of the cost of government. Revenue from taxation is lessening due to decreasing tax levies, whilst from sundry sources such as licenses, commissions and rentals, revenue is increasing.

General administration expense decreased in 1925 except in cities, where the increase was very slight. This is partly accounted for by a reduction of bank loan interest. In cities bank loan interest increased by a larger amount than the total increase in their administration expenses. In addition expenditures in urban municipalities have been steadily increasing, particularly in towns and villages, owing to the greater realization of the need for adequate fire protection.

Prevent Huge Surpluses

All municipalities are now required to provide a specific amount in their estimated expenditures as a reserve for the non-collection of taxes, advances or other accounts receivable. This enables municipalities to prevent accumulation of huge surpluses through the levying of taxes beyond actual requirements. Despite lower taxes, it is estimated that after setting aside a reasonable reserve, rural municipalities could have levied less than they did in 1925 by at least 10 per cent. and villages by about 15 per cent. and still produce sufficient revenue to provide for all expenditures.

The present healthy status of Saskatchewan municipalities is in direct contrast to the situation which existed a few years back when a number were in financial straits. The provincial government was forced to step in at that time and untangle affairs. Restoration of credit since then has been largely due to the excellent work of the municipal councils and officials generally.

Victoria Reduced Debt During Year Just Closed

Victoria's general debt has been reduced from $10,504,071 to $10,455,493; debentures paid off during 1926 amounting to $48,578. The local improvement debt, including refunding issues has been reduced by $204,787.

All sinking fund moneys available for investment have been placed, chiefly in long term securities, the maximum rate of interest being obtained.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft Erie Bdge 7s '55	107	108
Do 8s '45	106½	108
Buff Gen Elec 1st 5s '39	103	...
Do pref 5s '39	103	...
Bfo N & E Pow 5s '30	99¾	100¾
Lockport L H & P 5½s, '54	102	104
Niag Falls Pow pref 6s '32	105	106
Do 1st & con 6s 1950	105	106
STOCKS		
Buff Niag & E Pow	27¾	28¾
Do pf	25½	26
Niagara Falls Pow pf	28	29
Niag Lock & Ont pf	113¼	114¼

This Week's Bond Sales

Saskatchewan Issue

An issue of $1,468,500, Province of Saskatchewan, 4½%, 30-year debentures, has been sold to Dominion Securities Corporation, at a price of 94.28.

ALBERTA SELLS DEBENTURES

Two debenture issues of the Province of Alberta have been sold to A. E. Ames & Co., as follows:

Thirty-year issue at $1,300,000 4½ per cent., at a price of 94.158, giving a yield rate of 4.87.

Fifteen-year, $1,250,000, 4½ per cent., at 96.818, yield rate of 4.89.

MANITOBA DEBENTURES

Wood, Gundy & Co. have been awarded an issue of $1,617,000, Province of Manitoba, 4½ per cent. 30-year debentures at a price of 94.50. The money will cost the Province less than 4 85 per cent.

The price is for New York funds now carrying a premium of approximately ⅛ of 1 per cent. It is the highest price paid to any Province for similar securities since before the war.

Quebec Catholic School

The Catholic School Commission of the city of Quebec has sold an issue of $500,000, 30-year, 5% bonds to the Royal Securities Corporation on a bid of 101.587. The secretary of the commission stated that this is the highest price obtained by the commission since 1914. The other prices submitted for straight term and serial bonds respectively are as follows:

Dyment, Anderson & Co.	100.91	100.21
Can. Bank of Commerce	100.33	100
The National City Co., and the Bank of Montreal	100.586	100.087
Banque Canadienne Nationale, Rene T. Leclerc & Hanson Bros.	100.525	100.12
Bray, Caron & Dube	99.85	99.70
Wood, Gundy & Co.	101.156	100.536
Credit Anglo Francais	99 92	99.87
Mead & Co.	101.27	100.42
Corporation des Prets de Quebec	99.82	99.75
Dominion Securities	100.56	100.07
L. G. Beaubien, Nesbitt Thomson and Municipal Debentures Corp.	100.06	100.02
A. E. Ames & Co.	100.5272	100.2763

ONTARIO BOND ISSUE

An issue of $24,000,000 Province of Ontario 4½ per cent. 30-year serial gold bonds, due from Jan. 15, 1928, to Jan. 15, 1957, inclusive, payable in Canada, London, and New York, has been awarded to a strong syndicate headed by the Bank of Montreal, at 97.2335. The cost to the Province is 4.775 per cent. Three tenders were received, and there was less than 8c. difference between the first and third bid. All tenders were for New York delivery and payment in United States funds. The list of tenders is as follows:

Bank of Montreal: Bank of Nova Scotia; Kerr, Fleming & Company; McLeod, Young, Weir, Company; Hanson Brothers; Matthews & Company; Dominion Bank; First National Bank, New York; Lee, Higginson & Company, New York; Bankers Trust Company, New York; Kissel, Kinnicutt & Company, New York; Redmond & Company, New York; Clark, Dodge & Company, New York; Saloman Brothers & Hutzler, New York, 97.2335.

Blair & Company, New York; R. A. Daly & Company; Canadian Bank of Commerce; Equitable Trust Company of New York; Chase Securities Company of New York; Halsey, Stewart & Co., Chicago; The Continental & Commercial Co. of Chicago; The Continental Savings Bank, Chicago; Royal Bank of Canada; Royal Securities Corp.; The Shawmut Corporation of Boston; The Atlantic Corporation of Boston; Cochran, Hay & Company; Fry, Mills, Spence & Company; Wells, Dickey & Company of Minneapolis; Illinois Merchants Trust Co. of Chicago, 97.1688.

National City Company; Dominion Securities Corporation, Dillon, Read & Company, New York; Harris, Forbes & Company; A. E. Ames & Company; The Guaranty Co. of New York, 97.1449.

This particular issue is the first long-term issue placed by Ontario since December, 1925. The sum of $800,000 of principal is repayable each year. The first payment of the series of bonds will be made on Jan. 15, 1928.

STEEL'S CHAIN STORES SLOWLY GAINING GROUND

(Continued from page 1)

in Ontario and Quebec. Nearly half of the 27,000 members of the protective trust are residents of Canada.

Money put into the investment trust was to be returned to the shareholders of the committee, headed by Mr. Wilkins, failed to achieve the purpose of saving something from the wreck and operating the paying branches of the business. In the meantime, the money is to bring its owners 7 per cent. per annum. This interest has been paid to the end of 1924. While the company evidently is making progress, it is not apparent exactly when the arrears of interest will be paid.

Total capitalization of Steel's Consolidated, Buffalo, is to be $8,000,000. Of this, $2,860,000 will represent the protective trust participants. The balance of $5,140,000 is accounted for in various ways. About $1,000,000 has been issued to owners of a candy company in payment of assets acquired by Steel's Consolidated and some further sums represent the equity of shareholders in the L. R. Steel Realty Co. The Realty company was the only one of the Steel concerns which was not insolvent when the grand crash came a few weeks before L. R. Steel's death in a sleeping car near Toledo.

Lacks Working Capital

Assets of Steel's Consolidated consist of the 54 stores operated in Canada and the United States, the Mary Lincoln Candy Co., which operates a number of stores in Buffalo and vicinity, a candy manufacturing company, various pieces of real estate not actually being used for stores, a number of farms near Buffalo, the Merrimac coal mine in West Virginia and lands in Florida which were supposed to have been a sugar plantation.

Most of the stores are showing a profit, it is said, and such stores as are not making consistent progress will be closed. The company is looking for additional sites in Ontario and Quebec, in the belief that volume is essential success of an enterprise of this sort. It is not the intention of the company, however, to branch out into other provinces or states than those in which they are now located until the possibilities of these fields have been covered.

The company is hampered through lack of working capital. It is hoped, however, that this situation will be remedied within the next few months without increasing the capitalization of the company.

Shadow Over Enterprise

The issue of $1,500,000 6 per cent. bonds has been proceeding slowly. The investing public has been extremely wary of anything bearing the name of the company which arose out of the wreck of the L. R. Steel enterprises. Officials of the new company admit that this attitude on the part of the public is understandable, and perhaps not unreasonable, but hope that the shadow of the spectacular collapse several years ago will be eventually lived down by consistent earnings and sound financing in the company now in existence.

Proceeds of this bond issue are intended to take care of mortgages on property, and to release to the use of the company a proportion of the cash invested in real property. It is said that the real property on which the bonds would be a first charge is assessed considerably above the total of the mortgage.

So far, sufficient money has come in from the sale of bonds to take care of maturing mortgages and something has been accumulated for maturing obligations. The properties involved are on both sides of the international boundary. The only Western Canadian property owned by the company is in Regina. It is intended to sell this as soon as the market is favorable. No store is operated in Western Canada.

No Cut Flowers Now

There is evidence that Steel's Consolidated is conservatively operated, with overhead expense at a minimum figure. Where cut flowers once adorned the desks of executives in the first company, or companies, a more businesslike atmosphere prevails. The company's offices, both in Buffalo and Toronto, are in buildings where rents are low compared to rents in the most modern of office buildings.

It is said to be the stern policy of the present executives that no money be spent on which there is not a reasonable chance of profitable return. As one executive expressed it, any executives with the original companies who still are on the job, have had impressed on them the tragedy of ill-judged expenditure and enterprise. The new company is in the business of operating five-cent to one-dollar stores. The finance committee is having its troubles, and the merchandising executives are having their problems. But both sets of problems, it is demonstrated, are as far removed from pressure-salesmanship and promotion, as original Steel stockholders were removed from the possibility of dividends.

Lost Every Cent

Holders of stock in the original Steel companies, except shareholders in the realty company, lost every cent that they put into the enterprise. The only persons who have any interest in the new company are the members of the protective trust, shareholders in Steel realty and the few other individuals who at the reorganization were given stock for assets sold.

Most of the old Steel companies, except the realty company which was bought by Steel's Consolidated, have been liquidated in the United States federal courts. The costs were very high because, besides the three receivers at Buffalo, a number of subsidiary receivers were named in other states. The protective trust acquired approximately $8,000,000 of assets on both sides of the boundary by buying in claims of creditors. Cash was paid out of the $1,300,000 fund raised by the shareholders. Most of the creditors were glad to take a little cash rather than run chances of getting nothing at all by the time the complicated legal procedure in the United States had added largely to the costs.

Much of the credit for saving something from the wreck is given to E. R. C. Clarkson, official receiver for the Canadian stores. Some of these stores began to show a profit as soon as he took hold and other properties were disposed of at good prices under his jurisdiction.

Persons who know something of merchandising and finance are not yet convinced that Steel's Consolidated will be a dividend payer within a reasonable time because of the peculiarity of some of its problems arising out of the disaster of four years ago. Annual sales as yet are more than $3,000,000 short of capital, while capital should be turned over frequently in order to make money on small margins of profit. But the effort to make the stores profitable and win something for the shareholders who offered more cash after being badly deceived once is arousing attention. Success would be a notable achievement in the history of bankruptcies.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	18	20
Do., pref.	86	90
Brooks Motor 1 pref. & 1 com.	6½	7½
Do., 1 pref. & 2 com.	7¾	9
Can. Machinery, com.	4	7
Can. Westinghouse, com.	175	190
Farmers Dairy, com.	62	..
Dunlop Tire, pref.	84	90
Chase, A. W., com.	5	12
Do., pref.	70	80
Fanny Farmer, com.	26½	28½
Federal Alcohol & Dist.	7	8½
Goodyear Tire, 6% pref.	91	94
Gunns, Ltd., pref.	21	..
King Edward Hotel, Deb. A.	72	75
King Edward Hotel, Deb. B.	62	65
Loew's Buffalo, pref.	50	60
Mount Royal Hotel, com.	6	7½
Nat. Grocers, 1st pfd.	96	100
Nat. Grocers, com.	2	7
Continental Life, 20% paid	42	47
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	62	..
Great West Life	410	440
Monarch Life 10% Paid	32	35
Mortgage Discount, pref.	6	7
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	26	31
Sun Life, 75% paid	650	..
Toronto Finance, pref.	3	4
Willard's pref.	67	71
Canada Life	650	..
Capital Life 20% paid	19	..
Mount Royal, pref.	52	55

Tenders and By-laws

Jan. 22, Village of Mont Laurier, P. Q.—$65,000, serial debentures. J. Jarry, Sec.-Treas.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates: November 4th, 1926—Point Grey—"Ornamental Street Lighting By-Law, $86,000, twenty years. November 10th, 1926—City of Duncan Local Improvement Debentures By-Law, Consolidation By-Law, $3,900, ten years, 5%. November 13th, 1926—Vernon Water Works System Extension Loan By-Law, $12,500, twenty years, 5½%. November 18th, 1926—Point Grey—Local Improvement Loan Consolidation By-Law No. 914, $270,608, fifteen years, 6%. November 18th, 1926—Point Grey—Local Improvement Loan Consolidation By-Law No. 915, $74,400, ten years, 6%. December 17th, 1926 — Port Moody Local Improvement Consolidating By-Law No. 190, $4,349, twenty years, 5½%. November 29th, 1926—District of South Vancouver—By-Law No. 987 as amended by By-Law No. 1142, $163,183, thirty years, 5½%. November 29th, 1926—District of South Vancouver—By-law No. 986 as amended by By-Law No. 1143, $4,745, ten years, 5½%. November 29th, 1926—Point Grey—By-Laws Nos. 922 to 932—Local Improvements—ten, fifteen, thirty and forty years, 6%.

No Deal Yet for Gunns Ltd., Assets

Rumor persists that P. Burns & Co., Western packers are negotiating for control of Gunns, Ltd., Toronto. It is said, however, that the situation is no different than it was last November. In other words, whatever negotiations there may be, with P. Burns or any other interests, have not been consummated.

Officials of both companies are disinclined to discuss the situation. The reorganization plan for Gunns which was proposed several months ago is apparently definitely abandoned as a result of the injunction obtained by Frederick Lucius Montreal. Mr. Lucius claimed that the plan would take from the preferred shareholders control of the company which was rightfully theirs.

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Quebec Power Co. 6's....1953
Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s....1930
Wayagamack 6's....1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's....1942
Windsor Hotel 6½'s....1943
Laurentide Power 5½'s 1946
Duke-Price Power 6's....1966
Manitoba Power 5½'s....1951
Gatineau Power Co. 5's 1956
Gatineau Power Co. 6's 1941
Anticosti Corporation 6½'s....1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's....1941

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BOND MOVEMENTS OF THE WEEK

Week Ending January 11

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	1925 Low	Range, 1926-7 High	1926-7 Low	Latest Price Ask	Bid	High	Low
Asbestos, g. mtge.	6	1956	6.90	..	..	88¾	81¾	88½	88¼	88¾	88
Asbestos 1st mtge.	6	1941	5.86	..	..	101⅜	96¼	101¼	100½	101¼	101
Can. Bread	6	1941	5.50	105	102	105½	104	..	105	105	..
Can. Canners	6	1950	6.24	96½	90	100	94	97½	96¾	97	96½
Calgary Power	5	1940	5.78	89⅝	87	92½	91⅛	93½	..	92½	..
Can. Cottons	6	1940	6.32	94½	90	99½	95	97	..	97	..
Cedar Rapids	5	1953	5.00	99⅛	97	101½	98⅛	100	99½	100	..
Dom. Iron	5	1929	....	94	86	92	69	..	74½	72½	..
Montreal Power	4½	1932	4.59	91⅞	91	99⅝	97	96¾	..	99⅝	..
Mont. Trams "A"	5	1955	5.35	94	88¼	95	93	95½	95	94¾	94⅝
Quebec Rly.	5	1939	5.43	98	89¾	100	91⅞	..	96¼	96	..
Steel of Can.	6	1940	5.27	106	104	107⅞	106	107½	106½	107⅛	...
Wabasso	6	1947	5.95	99	92	100¾	99	100⅝	...	100⅝	...
Wayagamack	6	1951	6.00	98¾	84¼	100⅝	91¾	100	..	100	99½
War Loan	5	1931	4.72	102 65	101.80	102.40	100.35	101.60	101.30	101.40	101.00
Do.	5	1937	4.59	104.95	103.80	104.65	102.75	103.65	103.40	103.75	103.50
Victory Loan	5½	1927	4.50	103.15	101.05	101.75	100 00	101.00	100.85	101.00	100.40
Do.,	5½	1933	4.78	107.00	105.10	106.80	103.65	104.45	104.20	104.40	104.00
Do.,	5½	1934	4.98	104.80	103.25	104.10	102.15	103.85	103.65	103.40	103.15
Do.,	5½	1937	4.62	110.00	108 05	109.30	106.90	107.80	107.55	107.55	107.50
Do., Renewal	5½	1927	4 95	102.65	100.90	101.75	100.00	100.85	100.60	.....	.....
Do., Renewal	5½	1932	5.00	104.20	102.10	103.40	102.00	102.90	102.70	102.60	102.45
Do., Refund	5	1928	4.90	101.40	100.10	101.30	99 00	100.50	100.30	100.60	100.00
Do., Refund	4½	1940	4.80	97.30	96.00	97.50	95.60	97.25	97.05	97.50	96.85
Do., Refund	5	1943	4.78	102.95	101.20	102.80	101.15	102.75	102.50	102.80	102.50
Do., Refund	4½	1944	4.75	97.75	94.95	97.15	95.75	97.00	97.00	96.90	96.80
Do., Refund	4½	1946	4.73	.....	......	97.00	95.65	97.25	97.00	97.00	96.85

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Quebec Catholic School	Jan.	Royal Securities Corp.	5%	1957	$500,000	101 587	4.98
Saskatchewan	Jan.	Dominion Securities Corp.	4½%	30-yr.	$1,468,500	94.28	4.86
		Provincial					
Ontario	Jan.	Ban kof Montreal and Syndicate	4½%	30-yr. serial	24,000,000	97.2335	4.77
Alberta	Jan.	A. E. Ames & Co.	4½%	30-yr.	1,300,000	94.158	4.87
Alberta	Jan.	A. E. Ames & Co.	4½%	15-yr.	1,250,000	96 818	4.89
Manitoba	Jan.	Wood, Gundy & Co.	4½%	30-yr.	1,617,000	94.50	4.85

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Power Corp. of Canada	Jan.	Nesbit, Thomson & Co.	6%	Pref.	$2,500,000	96	6¼%

Insurance for Buyer and Seller

LIFE INSURANCE CAN BE MADE TO PAY SCHOOL BILLS

E. Clifford Marr, of Sun Life, Tells About This Development

As reports and statements for the year 1926 begin to appear, it is becoming increasingly evident that the spirit of "mass production" has definitely invaded the life insurance field. "Straight life, low cost" plans continue to hold the major appeal, with a corresponding decrease in the number of policies written on more elaborate lines. One such policy which has apparently been largely overlooked, is the educational policy, which has shown a marked falling off in Canada during the last few years.

Speaking to the Life Underwriters of Toronto, on the subject, "Assurance for Education," E. Clifford Marr of the Sun Life, brought out some of the reasons why more educational policies should be written in Canada:

To define the phrase "education insurance" is somewhat difficult, but, broadly speaking, it means "that provision made by the father which will guarantee the education of his child or children whether he lives, dies, or is removed from active life through disability." The father is quick to appreciate the idea because it allows him, a man who is richer in love and ambition than in money, to guarantee to his children an education, and thus to enjoy all his life the sense of pride in knowing that he has given to his children the greatest gift possible. He has bought for his son a fair start in life with the boys who will be his associates.

Evolution of Education

The evolution of education can be set out thus: yesterday a luxury, to-day an advantage, to-morrow a necessity.

The average father of to-day should realize, and most of them do, that his son cannot begin where he did, that the mental equipment with which he has battled the world will not do for his son. He realizes that the child of ten of today has and appreciates advantages and comforts that his grandfather looked upon as some dreamer's fancy. The development of transportation on modern lines increases the competition; with space and distance no longer a factor the local man has keen competition hundreds of miles away, something with which his father did not need to contend. And so the son must be equipped to meet these conditions.

The method of doing so is the next problem. We do not hear so much about the self-taught and self-educated man. It is a present fact that, with the growing complexity of modern life, the self-educated man in any high calling is growing scarce. It takes too long for him to find his way, and it wastes too much time and energy.

A definite plan must be provided. Faith without effort has gotten few of us anywhere. Statistics which have bearing on this matter are available. Unfortunately the following figures have been taken from the bulletin of the U. S. Department of the Interior because there are no Canadian statistics available. However, they will fit Canada very well, for, while they apply to a more widely diversified population, the access to and possibility of obtaining higher education in U. S. is superior to that of Canada.

Of 1,000 boys who begin school only 100, or 10 per cent., of the number complete high school, and of 1,000 boys who begin school only 23, or 2.3 per cent., of the number complete college.

Definite Educational Plan

In the light of these figures, some more definite plan than the one generally in use must be urged if boys are not going to be doomed to the fate of the uneducated majority. And if there be any doubts as to the value of education in the political and business fields of life, they are dispelled by the fact that in the United States only one per cent. of the population are college graduates, yet from this one per cent. have been selected 55 per cent. of the presidents, 36 per cent. of the members of congress, 50 per cent. of the members of congress, 67 per cent. of the attorneys general, and 69 per cent. of the justices of supreme court.

Many people realize to some effect what we know to be a fact: that statistics show that an uneducated child has only one chance in 150,000 of attaining outstanding success. With elementary education only one in 37,500 has a chance, with high school education one in 2,000, and with college education the ratio is one in 187. Having some such conviction behind them, the parents determine to increase the chance of their children to the limit of their ability.

By the medium of an educational policy, the boy, no matter what his present circumstances, is put in the way of being one of the country's great men. It is only necessary to carefully inspect the educational records of one hundred men in Toronto in high position to bear out that statement.

Effect on Country

So far we have thought largely of the return to the individual, the fact that the educated adult can earn more money and effect a higher standard of living than the uneducated. Following this further we can realize what a tremendous factor the spreading of education is, and will be, in the development of Canada. After all, we are most interested in the development of ourselves and our country. We are a nation of vast resources and few people. Our crying need is population to work our natural resources, and to obtain the best results, and to make the greatest progress we need the kind of population whose per capita production is the highest. The educated mind is the greatest producing agency in the world, without which fertile soil, timbered land, and mineral deposits, are but so much useless material.

When we work with children we are working with pliable material, easily molded, and what may seem small and insignificant to us means so much to them. The child of to-day is the man of to-morrow who will take over from us the direction of affairs and control the destinies of the country. And so those of us who are interested in the progress of our country need not be discouraged at present unsatisfactory conditions, because we are educating our next generation and will safeguard them from the danger which is always attendant to the growth of a nation, when the general extension of voting power to a more and more diversified people makes an uneducated citizenship a public menace.

The actual form of the policy to be written for educational purposes does not matter much. Most companies have a special educational policy which is advocated, but in many cases the life or endowment policy is more suitable.

Some idea of the cost of such a policy, taken out with the idea of providing for a college education, is given here: Suppose the boy is now 5 years of age, and the parent wishes to have $500 available every year for four years when the boy reaches the age of 18. The cost, of course, will vary according to the age of the parent, but, assuming that the parent is 35 years of age when the policy is taken out, the premium would be about $150 a year.

But How do You Start a Tornado?

An insurance agent called on a stranger and had the exhilarating experience of having him say "sure" when he was asked whether he desired any life insurance. Having apparently struck a bonanza, the agent attempted to sell a full line. The prospect in turn said he would gladly take fire, burglary, health, and accident insurance. "Was there no limit," the bewildered agent wondered. He ventured to introduce novelties. "How about some tornado insurance?" he asked. For the first time, the prospect balked. Finally, he inquired, "How do you start a tornado?"

LONDON LIFE WROTE 15% MORE IN 1926

Business in Force Increased to Over Quarter Billion Dollars During Year

The record for progress of the London Life Insurance Company over a period of fifty-two years continues unabated, according to the preliminary statement for the year ending Dec. 31, 1926, which was issued by the company this week. The amount of insurance of all kinds written by the company during the year shows an increase of about 15 per cent. over 1925, and amounted during the year to $73,737,385, as against $64,052,390 in 1925, and $53,583,740 in 1924. This 15 per cent. increase over last year's business compares very favorably with the experience of other companies in 1926, as the estimated increase in life insurance for all companies during the year is about 11 per cent.

Some indication of the kind of business written by the company during 1926 is given by an analysis of the premium receipts during the period. While ordinary life still maintains its position as the most important part of the company's business, the receipts from industrial business show an increase of about 20 per cent. over 1925, and in the sphere of group business the 1926 figures indicate a phenomenal rise of 560 per cent. to a total of $74,074. Three years ago this company wrote no group insurance; in 1924 the premium receipts amounted to $5,999; in 1925 the amount was $12,229, and, with the new figure of $74,074 for 1926, the increasing importance of this class of risk may be estimated. The following table gives the sources of the company's receipts during the last three years:

NET INSURANCE PREMIUM INCOME

	1926	1925	1924
Ordinary	$4,856,815	$4,152,112	$3,548,156
Industrial	3,049,636	2,571,076	2,229,470
Group	74,074	12,229	5,999
Total	$7,980,525	$6,735,417	$5,783,562

In commenting on the year's progress, E. E. Reid, the general manager, states that over 80 per cent. of the business of the year was issued on the "Duplex" and "Jubilee" plans, and that in the industrial branch, more than half of the business was written under the "super-service series." In spite of heavy claims which had to be met, full provision is made for the increased scale of dividends adopted for 1927; a large amount is provided towards the writing down of our new building costs, and the net general surplus, after deducting capital, is increased to about $1,550,000.

Another point, mentioned by the general manager, which is becoming an increasingly important factor in life insurance, is the lowering rate of interest obtainable on first-class investments. For the year the company's average rate of interest dropped to 6.71 per cent., as against 6.91 per cent. in 1925, and 6.96 per cent. in 1924. Some of the figures from the company's statement, with comparisons from the previous year, are as follows:

Net Disbursements in Respect of:

	1926	1925
Death claims paid.....	$ 895,619	
Matured endowments pd	370,133	
Disability claims paid..	11,707	$ 1,045,991
Total	$ 1,277,459	
New insurance issued..	$73,737,385	$64,052,390
Total (net) ins. in force.	251,256,595	211,445,485
Net invested & oth. as.	37,248,492	31,481,239
Total res. & other liab..	35,601,432	30,072,812

Says Public Losing Interest in Participating Insurance

The Ontario Equitable Life and Accident Assurance Company, which writes only non-participating insurance, says in its monthly agency bulletin:

"The question of participating vs. non-participating insurance is always a worthy subject for debate, and probably always will be. Upon one phase of this subject, however, there appears to be little doubt. It seems to be definitely settled that the insuring public is interested, not in paid-up additions nor in dividend accumulations, nor in premium prepayments or maturities, but in securing its protection at the lowest possible cost. All the rest is window dressing.

"A recent statement of one of the largest companies in the United States discloses the fact that 79.5 per cent. of the dividends allotted by the company in 1925 were withdrawn in cash or applied to reduce premiums, and only 20.5 per cent. were allowed to accumulate or used to purchase paid-up additions. This further verifies similar figures which have been published by different companies from time to time.

"It is evident that the public as a whole is but little interested in the matter of dividends except as they affect the amount of premium payment."

TANNERIES WORST FIRE RISK DURING PAST FIVE YEARS

Sprinklered Buildings Have Low Loss Ratio, Despite Small Premiums

The difficulties of Canadian fire insurance during the last few years have been thoroughly analysed by an analysis of losses prepared and issued by the Department of Insurance at Ottawa. This Schedule divides fire insurance risks into 27 different classes, ranging from street car barns to breweries, and gives the experience of each class over the period from 1921 to 1925 inclusive While Canada is too small and the number of risks in each class too few to provide from the figures a thoroughly practical basis upon which to revise rates, nevertheless the experience in the various classes, taken over a five-year period, is not without its value.

Many Tannery Fires

Looking over the five-year period, the class of risk which shows the heaviest loss ratio is the tanneries, whose average for the period is 168.2 per cent. That is to say that for every $100 premium received by fire companies from tanneries, $168.20 was paid out in losses. Considering that the average loss ratio upon which underwriting is based is from $50 to $55, the hazard of a tannery risk becomes apparent. However, companies who assumed a tannery risk in 1925, regained some of their loss because in that year the loss ratio was only 36.45 per cent.

The next risk is boot and shoe factories which finished the five-year period with a loss of 142.7 per cent. This class of risk seems to be an even more consistent loser than the tanneries, for in only one year did this risk drop below 100 per cent. and even then the ratio was over 57 per cent. Third in line are the risks on farm dwelling and property with an average of 114.1 per cent. This class of risk had a bad record during 1922, 1923 and 1924, but the year 1925 shows some improvement, the ratio being 91.34 per cent.

Nine Above 75 per cent. Mark

Altogether there are nine classes of risk which remain above the 75 per cent. mark, the others being woollen and knitting mills, flour and oatmeal, lumber yards, sawmills, woodworking factories and "all other manufacturing risks," in the order named. Of these, sawmills show the most consistent record, varying little from the average of 79.5 per cent. during the five years.

Small Loss With Sprinklers

At the other end of the scale the most reliable class of good risk is sprinklered buildings. Over the five-year period the average loss ratio on these risks is 30.05 per cent. and at no time did the risk vary more than ten points either above or below this average. The lowest ratio was in 1922 when the percentage was 20.19, and the highest 37.7 per cent. in 1923. There seems to be no doubt as to the efficacy of sprinkler equipment in all or any type of building. It must be remembered too that the premium rate is much lower in this type of risk.

According to this statistical record, the dweller in a house in a fire-protected city, appears to be the next best risk. The average in this type of risk works out at 39.3 per cent., and the loss ratio has steadily decreased in the last few years from 51.3 per cent. in 1922, to 34.6 per cent. in 1925. Pulp and paper mills, breweries and pork packing houses are the next in line, all of them showing a loss ratio for the period, of less than 52 per cent. Incidentally, pulp and paper mills during the year 1925, made the best individual record of any class, the loss ratio being only 10.55 per cent.

One Company's Serious Loss

How did the various companies bear the fire risk during 1925? The classification shows three groups. Canadian, British and foreign companies, and gives their experience during the year.

The greatest loss for the year amounted to 890.1 per cent., borne by a British company on boot and shoe factory risks in Ontario. The smallest loss ratio was one for .08 per cent. (a $2.00 loss) by a foreign company covering a flour mill in Nova Scotia.

On the whole the British companies show the best record for the year, their average on all risks being only 50.11 per cent. as compared with an average for all companies of 52.81 per cent. Canadian companies are next with a ratio of 50.69 per cent., while foreign companies bore the heaviest losses with 56.96 per cent. There were no Canadian losses above the 100 per cent. figure with the single exception of boot and shoe establishments which tally 139 per cent. for the year. British companies bore the brunt of boot and shoe losses with 189 per cent. and foreign companies showed the heaviest loss on mining risks (borne almost entirely by them) with 179 per cent. On this class of risk Canadian companies lost only 31 per cent., which is an exceedingly moderate figure. All companies shared equally in the very clean bill of health showed by the pulp and paper industry, the foreign companies faring best with 8.5 per cent. and the Britishers highest with 12.3 per cent. The lowest record for the year was made by Canadian company risks on confectionery and biscuit factories, the record being 4.5 per cent.

1925 Was Successful

Taken on the whole, the year 1925 was apparently a successful one for fire underwriters. The average risk for the year stood at 52.81 per cent. as against 58.8 per cent. in 1924 and an average loss ratio over 5 years of 60.90 per cent. This record is particularly good in view of the fact that insurance premiums increased by 2 per cent. during the year. The record of the provinces shows that New Brunswick tops the list with a loss of 71.6 per cent. and Prince Edward Island maintains its record as the best fire risk with a loss of 47.07.

Satisfactory Service Guaranteed

PRUDENTIAL TRUST COMPANY LIMITED

Trustees, Executors, Administrators, Real Estate and Insurance, Safety Deposit Vaults.

W. G. ROSS, Chairman of the Board

B. HAL. BROWN, President and General Manager

HEAD OFFICE PRUDENTIAL TRUST BLDG., Montreal

TORONTO OFFICE Reford Bldg., 217 Bay St.

Branches throughout Canada and in London, Eng.

Northern Bakeries Writes Big Group Life Policy

Triple protection for more than 1,000 employees of the Northern Bakeries, having its main offices in Toronto, is provided by a group insurance contract recently made with the Metropolitan Life Insurance Company. The coverage, which became effective at midnight on December 31, includes an estimated total exceeding $1,000,000 of life insurance, about $1,000,000 of accidental death and dismemberment insurance and weekly benefits established by a health and non-occupational accident policy. During the month of January the full premium is being paid by the employer. Beginning February 1, however, the programme will be co-operative, with Northern Bakeries, Ltd., and insured employees sharing the cost.

In connection with the group insurance offer, individual bakeries are permitted to develop employees' service benefits toward which Northern Bakeries will contribute.

All active employees on the payroll of the company January 1 are entitled to the insurance, without medical examination and with no restrictions as to age or physical condition. The insurance schedule is based on weekly salaries. The minimum is $500 and the maximum $1,000 life insurance, with the same figures applying in the case of accidental death and dismemberment coverage. The range for sick and accident benefits is from $7 to $20 a week, payable from eighth day of disability for a maximum of 13 consecutive weeks. Bakery managers, executives and supervisory employees are insured on a higher basis.

In practically every city where Northern Bakeries operates, the insuring company maintains the facilities of a visiting nurse service which are available to employees insured under the group plan.

Metropolitan Increases Industrial Dividends

Dividends to be paid in 1927 to industrial policyholders of the Metropolitan Life Insurance Company will total nearly 34 per cent. more than in 1926, according to an announcement by President Haley Fiske, of that company. The amount declared payable during the coming year is slightly more than $22,000,000, or $5,500,000 more than the $16,500,000 declared at the beginning of 1926.

All holders of industrial policies issued prior to 1923 will share in the apportionment.

The dividend scale for 1927 includes not only the increase naturally arising from the longer duration of the policies, but in the case of 94 per cent. of the millions of industrial policies affected there is an additional increase over the 1926 scale, running as high as 60 per cent. in many instances.

Included in the declaration are mortuary and maturity dividends of $2,667,463 and $776,606 respectively. The former are payments in addition to the face of the policy, made at death in the case of contracts that have been in force for a specified number of years, while maturity dividends are additions to the face of maturing endowments.

Mr. Fiske also announced the declaration of particularly substantial dividends to the holders of $5,000 whole life policies, which will total more than $2,055,000.

Want Compulsory Auto Insurance

Legislation providing for compulsory public liability insurance of automobile owners, the insurance to be carried by a fund created and administered by the government through the collection of premiums paid by car owners, will be urged by the Winnipeg Trade and Labor Council at a conference with the Manitoba provincial government prior to the opening of the legislature in February.

The West Develops

Those who are not familiar with the strong and steady growth of the West will find it profitable to do so.

Development is on sound lines and recognized industry pays well. Investment should be made under advisement of a reputable financial institution.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada

Insurance Personals

John A. Collins was elected president of the Life Underwriters' Association of Edmonton at the annual meeting of that body. Mr. Collins previously held the office of vice-president for Alberta.

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service

covering

Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults

THE EASTERN TRUST COMPANY

Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

BRITISH EMPIRE Underwriters' Agency
Head Office - Toronto
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of every description effected with leading Insurance Offices.
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CANADIAN GUARANTY TRUST CO.
Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.
Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.
Head Office: BRANDON, MAN.
Branch Office: Swift Current, Sask.
JOHN R. LITTLE, Managing Director.

Metropolitan Life Insurance Co.

The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received. Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office
Ottawa, Canada.

Business Written in Canada in 1926....... $166,123,047
More than that of any other company.
Insurance in force in Canada, end of 1926. $833,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1926.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1926...... $ 8,640,178
Investments in Canada, at end of 1926....... $126,160,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283

THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
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The NORTHERN
LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

5½% Interest Return
INVEST YOUR SAVINGS
in a 5½% DEBENTURE of The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Current Events in Banking World

WORRIES OF SAFE DEPOSIT MANAGER; PEOPLE CARELESS

Will Leave Valuable Securities Lying Around Loose

Safety deposit boxes are part of the service of even many town branches of Canadian banks.

This article from the American Banker discusses pleasantly some of the worries of the safe deposit department.

Customers of safety deposit departments would suffer heavy losses if it were not for the eternal vigilance of the officers and employees in charge.

With the increased popularity of the safety deposit vaults has come an increased use on the part of persons who are extremely negligent in matters of such detail as putting securities and articles of value back into their boxes after they have removed them.

At one of the large vaults conducted in connection with a branch bank, a lost and found book is maintained in which records of articles found in the booths and reported lost by customers are kept.

Not so long ago in these vaults $60,000 in bonds was found in one of the booths after a customer had access to his box, and in another case recently $5,000 in bonds was left by a boxholder. Jewellery, coupons and all manner of articles of value are aso frequenty picked up and every effort is made by the company to restore them to their rightful owners.

Is It Over-confidence?

One wonders whether those who are so careless with their property are over-confident of the security which the safety deposit vault creates in their minds regarding the certainty of the return of lost articles or whether they are merely excessively negligent or possessed of so much earthly goods that the loss of a few such trifles as a bond or two is of no particular importance.

An incident is cited of a customer who removed his coupon envelope from the rack, clipped his coupons, placed them in the envelope and then placed the envelope with the coupons back in the rack and took an empty envelope and left the vaults. In this case the next customer found the envelope with the coupons and fortunately turned them over to the company.

No More Use For Bond

Not so long ago, a woman customer cut off the last coupon of a $1,000 bond and deliberately tore up the bond, throwing it in the waste basket. The company found the bond, pasted it together, called up the customer and called her attention to the loss. Her reply was that it was all right as she was all through with the bond, having cut off the last coupon. Apparently she did not know that she still had $1,000 coming to her.

People call frequently at these vaults without their keys and it is often difficult for the attendants to convince them that there is not a duplicate key available and that their own key is their greatest protection. Invariably, they say, "we are willing to trust you."

Restoring Lost Property

An unusual incident is cited showing the extent to which a bank will go in its endeavor to restore the property of a customer who fails to put it back in his safety deposit box or take it with him when he leaves Five or six coupons that had been attached to a foreign bond of unusual appearance were found by an attendant. These coupons, upon inquiry, it seems, were payable in some bank in South America. In an endeavor to trace the customer the company wrote to the bank in South America and received its reply from a bank in the Argentine which referred them to a bank in Brazil.

Then on addressing a letter to the Brazilian bank it was learned that that bank had consolidated with another bank which in turn had reconsolidated. When the company asked this consolidated bank if it paid coupons on these bonds it was informed that the bank did and on further inquiry it was learned that they had paid such coupons sent them by a bank in Montreal.

On inquiry at the bank in Montreal the name of the customer was ascertained. It was found he actually resided within one block of his safety deposit box. Nine months after the customer had lost his coupons they were returned to him. Strange as it may seem, this customer had not been aware of his loss, which consisted of 6 coupons of $30 each.

Denying Own Property

It not infrequently happens, too, that the customer denies all ownership of bonds and securities which the bank definitely traces to him. Not so long ago a businessman, who was a large holder of bonds and securities, after rummaging through his box, turned over to the company several foreign bonds. He claimed they must have been in the booth at the time he entered.

The attendant assured him that the booth had been searched before he had entered and that they must belong to him; but he stoutly denied all ownership. It required quite an effort on the part of the company through correspondence with different banks to finally trace the owner of these bonds and to prove positively that they did belong to this customer. Once he was convinced and his mind refreshed as to the conditions under which he had purchased them, he acknowledged his error and received back his property.

In fact, the experience of safety deposit men lead one to believe that the well-to-do and other classes who are the customers of these companies are far less concerned about their own property than one would ordinarily suppose.

Bank of Nova Scotia Stock Shows Strength

MONTREAL.—Many of the bank stocks are bouyant at present, but the Nova Scotia has taken a decided spurt and, at around 305, the present level, represents a gain of 22 points from the low of 1926. This figure gives the stock a yield of 5.25 per cent.

The bank began business just 95 years ago and to-day operates 261 branches situated throughout Canada, Newfoundland, and in the West Indies. Since 1919 the shares have shown only very moderate ups and downs, until recently when it strengthened materially.

Kitchener Clearing House Elects MacMillan Chairman

The annual bankers meeting of the Kitchener Clearing House was held at Wagners, Bridgeport. Officers elected for the ensuing year were: D. A. MacMillan, chairman, manager of the Bank of Montreal; J. H. Dobbie, vice-chairman, manager of the Canadian Bank of Commerce; A. J. Cundick, secretary-treasurer, manager of the Bank of Nova Scotia.

Apart from the interesting routine of business of the meeting the opportunity was taken of presenting to Mr. and Mrs. W. H. Collins a handsome furniture gift in view of the approaching promotion of Mr. Collins to the managership of an important Montreal branch. While wishing Mr. and Mrs. Collins and family congratulations, the fellow bankers regretted that Mr. Collins would no longer be with them as in the past eight years. During this time, as manager of the Kitchener branch of the Canadian Bank of Commerce, he has won the confidence and esteem of all his banking friends.

Five New Branches Opened in December

Returns from the various Canadian chartered banks show that during the month of December only five new branches were opened, while nine branches were closed during the month. A list of branches opened and closed in December follows:

Opened

Commerce—Mount Pleasant and Manor Rd., Toronto; Verdun, Que.
Montreal—Yonge St., and St. Clair Ave., Toronto.
Provinciale—91 St. Bernard St., Montreal; 2550 Rouen St. East, Montreal.

Closed

Commerce—Burin, Nfld.; Semans, Sask.; St. Norbert, Man.
Montreal—Delia, Alta.
Provinciale—West St. John, N.B.
Royal—Port William, N.S.; Duval, Sask.
Standard—New Dayton, Alta.
Toronto—Tantallan, Sask.

Staff Gossip

D. H. Allan is being transferred by the Bank of Montreal from Vulcan to Kamsack, Sask. He will be succeeded at Vulcan by H. S. Sutherland from Munson, Alta.—News, Nanton.

* * *

Neil Stewart, formerly of Guelph, and for the past year teller at the Brantford branch of the Dominion Bank, has been transferred to St. Catharines. Mr. Walton, also of Guelph, will take charge of the teller's cage in place of Mr. Stewart.—Mercury, Guelph.

* * *

C. W. Cook, assistant accountant of the local staff of the Bank of Montreal, has been transferred to Sydney, N. S. F. S. Harrison, of Saint John, is supplying as temporary relief.—Star, Sault Ste. Marie.

* * *

John Elliott, Belleville's veteran banker, manager of the Standard Bank, was the guest of honor at a banquet tendered to him by the Belleville Bankers' Association. The managers and accountants of the Belleville banks gave the dinner and Mr. Elliott very graciously responded to a toast to his health, proposed by G. A. C. Weir. Following the banquet, the party were guests at the brilliant military function given by the officers to the ex-officers of the Argyle Light Infantry.—Belleville Intelligencer.

* * *

Through the death of Fred C. Field, which occurred at London recently, the Bank of Toronto has lost a very popular officer.

Mr. Field was in his fifty-second year, and had spent his entire business life with the Bank of Toronto, having entered their service in 1892 at Brockville, his native city. He served at Sarnia and Montreal, and in 1903 was appointed manager at Maisonneuve branch, Montreal, afterwards serving as manager at Newmarket, St. Catharines and London main office.—Spectator, Hamilton.

* * *

G. C. Dewar, manager of the local branch of the Bank of Montreal, recently received word from his head office that two changes would be made in his staff. F. O. Hambrook, of Kingston, replaces Miss Evelyn Churchill, who has resigned from the position of ledgerkeeper, and Charles Dyer, who has been accountant here for some years, is transferred to the King and Dufferin branch of the Bank in Toronto. Mr. Dyer expects to leave town early in February. His position here will be taken by Mr. James, of Brockville.—Record-News, Smiths Falls.

* * *

T. W. Weatherbee has been appointed assistant manager of the Canadian Bank of Commerce branch at Montreal. Mr. Weatherbee has been inspector of the bank at Calgary for the past few years. He joined the bank in Nova Scotia. After service at Halifax, Winnipeg and other western branches he was appointed accountant at the Calgary branch. He subsequently served as accountant at Winnipeg, and in the superintendent's office there. With sixteen years' banking experience in Western Canada, Mr. Weatherbee has acquired a very intimate knowledge of prairie conditions, which is likely to be of value to him in his new post.—Vancouver Province.

Importance

"Is he difficult to see?"

"Oh, No! He's a really important man."

For the first time in the history of Alberta, alfalfa seed is being shipped to Denmark.

SAYS UNIVERSITIES ARE NOT IN TOUCH WITH PRACTICALITY

British Writer Critical of Oxford and Cambridge

Do universities teach a brand of economics that has no relation to the practical problems of business? Is the teaching of economics tinged with political bias?

The complaint has been heard in Canada that such is the case and is stoutly denied by university folk.

Sir Ernest Benn, writing to the London Times, charges the British universities with such a lack of appreciation of current economic developments at home and abroad.

Concluding an article that analyzes the questions on a Cambridge examination paper, Benn says:

I have been greatly impressed by the numerous cases I know of well-meaning schoolboys and girls who come down from the University with fixed impressions of commerce and industry which bear no resemblance to those institutions as I know them. May I humbly suggest what I, a mere business man, would expect to find at an ideal seat of learning that professed to teach economics?

Business of Economists

Starting with Adam Smith's first object, "to provide a plentiful subsistence for the people," our first conclusion would be that the business of industry was to deliver the goods, and that the more goods delivered the more plentiful the subsistence for the people. I should expect to hear that we live by rendering service one to the other, and that we become civilized by giving up direct production wherever we can satisfy our requirements more cheaply by exchange: that by specializing and exchanging we have gradually risen from very small personal wealth to a condition where the poorest amongst us receives much more than he could produce of his own accord. Politically economy should therefore direct its study and research primarily to the means whereby production and exchange could be promoted and increased so that the subsistence of the people might be even more plentiful.

Discuss Housing Question

I should, for instance, expect the University to break off now and again from the study of the supertax to discuss housing, and I should expect economics students to know that a strictly limited number of bricklayers and plasterers doing a strictly limited amount of work would produce a strictly limited number of houses, and that if the legislature permitted that position to continue it was no use voting money and giving subsidies which, having regard to the fact that the supply was limited and fixed, could only increase the price without rendering any service to anybody. A plentiful subsistence for the people implies somewhere for them to live in comfort, and the science of economics is of no practical use if it neglects to tell us whether an open market and free competition would help us in this important matter.

The ideal seat of learning would be less susceptible to trade union or Socialist influence, and would thus give a good share of its time to an examination of the benefits of machinery. It would require the students to show some knowledge of the relative horse power in this country and elsewhere at different stages of industrial development. I should expect to find economics graduates worried and oppressed by the fact that while in 1880 we led the world in the amount of power per head of population, we were now very badly down the list.

Attention to Unemployment

Oxford and Cambridge do appear to give some attention to unemployment, but most of their thoughts seem to be directed to insurance, doles, and other forms of State provision for the trouble after it has occurred. I do not know whether either University has ever taught that unemployment is an unnatural disease bred of unnatural conditions, and that it should disappear if industry could be freed from all the impedimenta with which it has been encumbered by outside non-industrial powers. The Bunting theory published privately in 1917 by the Garton Foundation, and suppressed because it might give offence to the trade unions, does not appear to be included among the many theories scheduled for the edification of the economics student. Bunting's book may not be a good piece of work but his main argument would attract more attention if universities were not, like Parliament and every other public body, afraid of trade unions.

All these questions will begin to solve themselves when the universities are willing to pay as much respect to the views of business classes as they now appear to do to those of the politicians and the doctrinaires.

This is Your Forum Give Us Your Views

The field men in Canadian banking; the managers, and junior officers in the branches from coast to coast are the men for whom this page is chiefly edited. It will be edited best when they contribute most to it.

Articles on subjects of interest to bank men are constantly welcomed and will be paid for at our ordinary space rates. But the remuneration is not the thing. The opportunity of discussing your opportunities and problems with your fellow bank men is more important.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Jan. 7, 1926	Jan. 6, 1927
Montreal	$103,377,825	$107,397,022
Toronto	101,330,061	121,178,910
Quebec	7,179,918	....
Ottawa	6,759,434	6,678,650
Hamilton	4,957,138	5,726,299
Halifax	3,225,355	3,751,880
London	3,246,450	4,195,888
St. John	2,709,089	2,836,275
Windsor	3,878,032	4,112,345
Kitchener	1,164,160	1,007,134
Brantford	1,198,500	1,416,413
Peterboro'	382,518	849,671
Chatham	....	919,325
Kingston	881,512	848,170
Sarnia	....	779,477
Sherbrooke	842 549	1,082,706
Moncton	887,035	910,384

WESTERN CITIES

	Jan. 7, 1926	Jan. 6, 1927
Winnipeg	$ 56,296,378	$ 52,905,802
Vancouver	16,493,490	19,361,414
Calgary	8,160,403	10,363,129
Regina	5,180,952	5,532,398
Edmonton	6,997,554	7,014,674
Victoria	2,118,008	....
Saskatoon	2,174,865	2,173,224
Moose Jaw	1,631,384	1,698,086
Fort William	1,423,436	977,043
N. Westminster	662,003	979,272
Brandon	622,688	665,233
Lethbridge	887,658	555,563
Prince Albert	466,664	465,249
Medicine Hat	370,305	359,672

$21,055,841 in EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

Send for Investment Lists.

Ceperley, Rounsefell and Co.

Investment Bankers—Est. 1886.
846 Hastings St. W.—Vancouver.

North American Life Wrote $32,000,000 Business

Although the annual statement of the company does not appear until the end of the month, the North American Life has made a preliminary review of the situation and finds that another record-breaking year has been added to the annals. The amount of new business written for 1926 exceeded that of any previous year, and other phases of the company's business showed marked improvement. The company wrote last year the largest amount of new business in its history, amounting to over $32,000,000. This is an increase of 60 per cent. over the amount written in 1925, which was something over $20,000,000. The total amount of insurance now in force is now over $152,000,000, as against $131,844,000 at the end of 1925. In May the record for the largest amount of received business was broken, but was again passed in June, which established a new high record in the company's history.

Western Assurance Dividend

The Western Assurance Company of Toronto, which has just completed a very successful year in its world-wide operations has declared a dividend at the rate of 12 per cent. per annum on its preference stock for the six months ending 31st December, 1926. It has also declared a dividend on its common stock for the same period at the rate of 10 per cent. per annum.

Canada Second Greatest Telephone User in World

Telephones in Canada at the end of 1925 numbered 12.22 per 100 of population, according to a report issued by the Bureau of Statistics. In this respect the Dominion was surpassed only by the United States, where the average was 14.2, and the only other countries to approach this density were Denmark with 9.0 and New Zealand with 8.7.

British Columbia has the greatest number of telephones of any of the provinces, with 17.72 per 100 population. Ontario is second with 16.39, followed by Saskatchewan with 12.02; Alberta, 10.75; Manitoba, 10.52; Quebec, 8.86; Nova Scotia, 7.32; New Brunswick, 7.18 and Prince Edward Island, 6.32. The following table shows the number in each province at the close of 1925:

P. E. Island	5,517
Nova Scotia	39,242
New Brunswick	28,945
Quebec	223,227
Ontario	508,513
Manitoba	69.000
Saskatchewan	100,096
Alberta	70,073
British Columbia	99,346
Yukon	136

There were 2.495 telephone systems in operation in 1925, including the three large provincial systems of the Prairie Provinces, and two smaller systems belonging to Ontario, also the system operated by the Dominion Parks Branch. They include 144 municipal systems, the larger ones being operated by the cities of Edmonton, Fort William and Port Arthur. The bulk of the 1,551 co-operative systems is in the prairie provinces. The remainder is composed of 502 stock companies, 106 partnerships and 186 private systems.

Operating results in the year under review, show that on a total capital of $174,164,547, revenue amounted to $47,233,617, against which operating expenses totaled $35,566,947, leaving net operating revenue of $11,666,670. The tendency of the telephone companies in recent years to "plow" back earnings, is seen in the statement that the cost of property and equipment increased from $193,884,378 in 1924 to $210,535,795 in 1925, an amount greater than the total capitalization.

New Frontenac President

MONTREAL.—Senator Donat Raymond has resigned as president of Frontenac Breweries, Ltd., and Paul Joubert, a director of the company, has been elected president in his stead.

A GUARANTEED
FIRST MORTGAGE BOND

Border Cities Co.,
Limited

7%

First Mortgage Sinking Fund Gold Bonds

Maturity, 5 to 10 years
Denominations, $1,000, $500 and $100
Descriptive Circular on request.
BOND DEPARTMENT

Border Cities Company,
Limited
605 C.P.R. Building
TORONTO

We will be pleased to furnish information regarding the following First Mortgage bonds: —

Jones Bros. of Canada, Limited	6½%	due 1946
Ancroft Place Limited	6½%	due 1946
Alexandra Apartments Limited	6½%	due 1940
Metropolitan Building Limited	7 %	due 1944
Ellis Park Apartments Limited	7 %	due 1945
Bloor-St. George Realty Limited	7 %	due 1946

STEWART, SCULLY CO.
LIMITED
Government, Municipal, Real Estate and Corporation Bonds
TENTH FLOOR, ROYAL BANK BUILDING, TORONTO 2 4

Saskatchewan General Trusts Corporation

HEAD OFFICE: REGINA, SASK.
Subscribed Capital - - $1,000,000.00.
EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE

Special attention given Mortgage Investments, Collections, Management of Properties for Absentees and all other agency business.

BOARD OF DIRECTORS:
W. H. DUNCAN, President. G. H. BARR, K.C., Vice-President.
William Wilson, Chas. Willoughby, W. T. Mollard
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J. W. Brown, P. S. Stewart, J. A. M. Patrick, K.C.
E. E. MURPHY, General Manager.
Official Administrator for the Judicial Districts of Weyburn, Arcola and Estevan.

The Story of 1926

The results achieved by The Imperial Life Assurance Company of Canada in 1926 as indicated by the figures given below will be very gratifying to policyholders and others interested in the Company's progress:

	1916	1921	1926
Assurances in force	$55,084,130	$128,968,720	$218,230,511
Assurances Issued	10,380,840	23,136,261	37,110,654
Total Assets	12,974,417	22,079,986	40,124,052
Premium & Interest Income	2,659,418	5,488,584	10,041,402
Policy & Annuity Reserves	10,021,809	18,511,054	33,552,129
Payments to Policyholders	650,110	1,605,610	3,236,637

The millions of dollars of Reserves held by The Imperial Life are calculated on so strong a basis that interest earnings of only 3% are sufficient to maintain them. The difference between this 3% rate and the 6.21% actually earned gives an exceptionally wide margin for policyholders' profits and security.

Ask for a free copy of our complete Report

THE IMPERIAL LIFE ASSURANCE
Company of Canada
HEAD OFFICE - - - TORONTO, CANADA
Branches and Agents in all Important Centres

FIRST AND PARAMOUNT
ABSOLUTE SECURITY TO POLICYHOLDERS

THE NATION'S BUSINESS

(Continued from page 1)

the part of its government to grant new interests preference in a forest being opened up near an old mill is evidence of its stand.

Ontario has not declared itself on this matter but in view of the progressive forest policies of that province there is reason to hope that it will not lag behind Quebec. Co-operation between the two largest paper provinces would be of great value in insuring our paper future.

In Manitoba, where forest lands are under Dominion jurisdiction there is evident a tendency to go slowly in dividing up timber areas among mills.

* * *

THE investment public, as well as the public in general, cannot but give its thorough endorsation to a policy so sound, and Quebec's definite pronouncement must call forth congratulations.

In Canada, a paper mill is usually the heart of a community. One has only to visualize a city such as Grand' Mere or Iroquois Falls deserted because its heart is stilled to realize what over expansion of our greatest industry would mean eventually to the nation in economic loss and in the less tangible, but just as real elements of personal comfort and happiness.

Our pulp and paper industry is capable of yet greater expansion but Canada will lose nothing if that expansion is less in the next ten years than it has been in the past decade.

* * *

HON. HUGH GUTHRIE, acting leader of the Conservative Party, made his first public appearance since his appointment, before a large gathering of Toronto business men. He maintained and enhanced his reputation with his pleasing personality, which attracts even his opponents; while his special capacity for presenting his subject in simple, clear language, on which he was complimented during the recent election campaign, was maintained. He was at a disadvantage in that he undoubtedly spoke under party inspiration, if not instruction.

His most important utterance was a hint of the new Conservative policy that apparently his colleagues in the House, if not in the country, are desirous of laying down; that is, while hitherto the Conservative party have been concentrating on flirtations with Quebec and neglecting the west, it is now proposed to transfer the Conservative affection to the prairie provinces, and by the study of their problems or supposed problems, and by making presents to them of their demands, however, unsound or unjust, to win their love and their votes.

Mr. Guthrie dealt mainly with Canada at the Imperial Conference. He was lucid; he was fair; he was no doubt legally and otherwise accurate; but he was narrow and showed a lack of understanding of Empire problems. He most effectively finished the exposure of Mr. King's fake "Magna Charta." While there had been no direct change as far as the Mother Country and Canada were concerned in the equal status as claimed by Mr. King, it may be, Mr. Guthrie pointed out, that Mr. King has possibly manoeuvred Canada into positions of real danger: First, the making of constitutional changes in this country that could be made unfair to minorities, whether they were French-Canadian or English; and, second, a responsibility for Imperial defence.

* * *

VIEWING it as an entity, the inference to be drawn from Mr. Guthrie's address is that the Conservative National Party is still living in the past, and shows a complete lack of understanding of the present. It is undoubtedly brilliant in debate, but is woefully short on practical policies or constructive statesmanship that would appeal to the people and develop the nation. Parties never grow great by fear and cringing to petty policies and sectional demands, but by courage, the courage and leadership that Ferguson recently showed in Ontario and that Taschereau has all along shown in Quebec. Both Quebec and the West gave the national Conservatives the defeat they deserved from their lack of constructive policies and party organization, and at a time when these sections had little respect for the King leadership.

* * *

WHAT the Conservative party needs to do is first to make a careful analysis of the situation in Canada, and then lay down the right policies. The policies may not be popular at first, but if they are sound and are intelligently presented, they will eventually win. The West has good ground for their misunderstandings of the Conservative party. Quebec is most anxious for a better understanding with Ontario, and it is Ontario's fault that such an understanding was not long ago arrived at.

In Imperial matters, the Conservatives show the same stupidity. They are playing Mr. King's little game of discussing status and supporting Premier Bruce's game of a big navy—which Canada does not need. They utterly fail to see that the problem of greatest importance to Canada is future markets, for our products, and the only sure markets and profitable trade are within the Empire. It was this problem Mr. King sidestepped at the Imperial Conference.

DIVIDEND NOTICE
NO. 76

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on January 31st to shareholders of record of January 25th.

This is Monthly Dividend No. 76, making a total of one hundred and thirty-four and one-half per cent. (134½%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY

By J. E. Horn

K. H. Kompfe & Co.
Limited

Toronto and London, Ontario

FOREIGN EXCHANGES

French, Italian Exchanges Puzzle

Conducted by S. J. ZACKS.

New York funds continue firm and active with premium steady at the gold import point. Over $8,000,000 of gold has been shipped from Canada in the present movement. This represents a normal condition. Canadian funds usually weaken at this time of the year and New York funds will likely continue strong until the opening of navigation.

Brazilian milreis have recovered somewhat but are still 20 points or so below place set for stabilization. An unconfirmed report has been received which stated that the stabilization bill has been passed in the Brazilian legislative chamber. The bill is admittedly very weak and vague and if it is true that it has passed in the incomplete form this would probably account for the weakness in milreis. Reports also imply that London is preparing for a Brazilian stabilization loan of considerable magnitude, which will be secured by the revenue on para rubber.

Spanish pesetas resumed their foreward movement. They rose rather abruptly and have been a feature in the foreign exchange markets. With so many of the European countries back to the gold standard and the French franc pegged speculative interests find their range of activities cut down. It is expected, therefore, that in the near future their operations will be concentrated in Spanish pesetas and Norwegian kroner. The Spanish peseta advanced to 16.06¾ cents or ¼ cent below the high established last year. Improved Spanish financial conditions following the end of the expenses of the Riff war, and the consequent early return to gold are additional factors making for interest in pesetas.

The French and Italian exchanges are still sources of mystery. Many wonder whether present pegged price of the franc of $.0395 will be permanent. Doubtless it is a test. The French government has been shipping gold in quantity to New York. This may be one more step in the direction of early stabilization. The slump in Italian lire is attributed to the pegged franc and the decline of speculative activity.

The German Reichsbank reduced its rediscount rate to 5 per cent., which brings it down to the level of the Bank of England rate. In some quarters this is interpreted as a forerunner of coming reduction in London and New York.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Jan. 6	5-32	9-64	1-32	1-32
Jan. 7	11-64	5-32	1-64	1-64
Jan. 8	11-64	5-32	1-32	1-64
Jan. 10	11-64	5-32	3-64	1-32
Jan. 11	11-64	5-32	1-16	3-64
Jan. 12	11-64	11-64	1-16	3-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 6	4.85	3.94¼	4.41¼
Jan. 7	4.85	3.94½	4.40¾
Jan. 8	4.84 15/16	3.95¼	4.40¼
Jan. 10	4.84⅞	3.95½	4.31¾
Jan. 11	4.84⅞	3.96	4.25¼
Jan. 12	4.84 15/16	3.96¼	4.22¼

FOREIGN EXCHANGE

Par		Jan. 5	Jan. 12
19.30	Italian	4.44¾	4.24
32.45	Brazilian	11.62	11.62
23.82	German	23.79	23.79
19.30	Belgium	2.79	2.79
84.85	Japan	49.02	48.97

CANADIAN WESTERN LUMBER

The Canadian Western Lumber Co., which includes the Columbia River Lumber Co., reports sales of lumber for the month of November amounting to 8,879,852 feet, realizing $193,001, which compares with 6,878,332 feet, realizing $152,669 for the same month in 1925. The aggregate sales for the eleven months ending November 30, amounted to 141,802,548 feet, and the price realized $3,358,270, as against 114,530,775 feet, realizing $2,714,374 for the corresponding period in 1925.

ARNOLD BROS.
Limited

NOTICE OF DIVIDEND
on
Second Preferred
Dividend No. 5

NOTICE is hereby given that a dividend of two per cent. (2%), being at the rate of eight per cent. (8%) per annum, has been declared, payable February 1st, 1927, to shareholders of record at the close of business January 15th, 1927.

By order of the Board,

E. B. HUGHSON,
Treasurer.

ARNOLD BROS.
Limited

NOTICE OF DIVIDEND
on
First Preferred
Dividend No. 5

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, has been declared, payable February 1st, 1927, to shareholders of record at the close of business January 15th, 1927.

By order of the Board,

E. B. HUGHSON,
Treasurer.

UNIVERSITY graduate in commerce and business administration, age 24, wishing to change position, desires connection with aggressive Toronto firm with idea of advancing to sales manager or office executive. Pleasant manner, well appearing, unlimited capacity for work. Hobby is study of business conditions and economic problems. Excellent references.

Apply Box 502,
FINANCIAL POST,
Toronto 2, Ont.

DIVIDEND NOTICE
PETROLEUM ROYALTIES COMPANY
Tulas, Okla.

The regular monthly dividend of 1% will be paid on February 1st to Shareholders of Record on January 25th.

Bonus or Extra Dividends are also paid every other month, giving a total yield of 18% Annually.

Next Bonus of 1% will be paid March 1st.

J. RUFFER, Sec'y.
Canadian Office—331 Bay St., Toronto 2. Main 3366.

Young college man will invest $2,000 with reputable concern where he may learn the business. Box 506, Financial Post, Toronto 2, or 'phone Lake. 1536W.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per Share for the quarter ending December 31st, 1926, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Friday, January 7th, 1927, at 4 o'clock p.m., payable on Saturday, the 15th day of January, 1927.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

November 24th, 1926.

WANTED

General manager for well-established Trust Company in Western Canada.

Apply Box 404,
The Financial Post,
Toronto 2, Ont.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company, Limited, payable the 20th day of January, 1927, to shareholders of record at the close of business the 10th day of January, 1927.

By order of the Board.

W. H. SMITH,
Secretary-Treasurer.

The International Nickel Co.

A quarterly dividend of one and one half per cent. on the Preferred Stock has been declared this day payable Feb. 1, 1927, to the Preferred stockholders of record at the close of business, January 13, 1927.

JAMES L. ASHLEY,
Secry. & Treas.

New York, Jan 3, 1927.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 26th January, 1927, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 25th November, 1926.

INTERNATIONAL PAPER COMPANY

New York, December 29, 1926.

The Board of Directors have declared a quarterly dividend of Fifty Cents (50c) a share on the Common Stock of this Company, payable February 15th, 1927, to Common stockholders of record at the close of business February 1st, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD, Treasurer.

WESTERN ASSURANCE COMPANY

COMMON STOCK DIVIDEND No. 94.

NOTICE is hereby given that a half-yearly dividend of Five per cent. (5%) for the six months ended 31st December, 1926 (being at the rate of 10% per annum), has been declared upon the COMMON STOCK of this Company and same will be payable at the offices of the Company at 16-22 Wellington Street East, Toronto, on and after the 15th day of January, 1927, to shareholders of record at the close of business on the 8th day of January, 1927.

The Transfer Books will be closed from the 8th day of January, 1927, to the 15th day of January, 1927, both days inclusive.

By order of the Board,

G. STUBINGTON,
Secretary.

Toronto, January 6th, 1927.

Brokerage or Financial Opening Desired

Business man, 30, married, ex-newspaper man with some financial experience, desires connection with brokerage house to learn business. Has written market reports; can handle correspondence and publicity. Fair knowledge of financial matters. Graduate of two Universities. Salary secondary consideration if the connection is right. Might invest in promising firm.

BOX 504, FINANCIAL POST, Toronto 2, Ont.

Eastern Canada Stores Limited

Dividend Notice No. 2

Notice is hereby given that the regular quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, has been declared payable January 15th, 1927, to shareholders of record January 8th, 1927.

By order of the Board,

I. MIVILLE,
Secretary.

DIVIDEND NUMBER 158
HOLLINGER CONSOLIDATED GOLD MINES, LIMITED
(No personal liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 28th day of January, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 12th day of January, 1927.

Dated the 5th day of January, 1927.

I. McIVOR,
Assistant-Treasurer.

Automotive Credit Corporation
LIMITED

NOTICE TO BONDHOLDERS

Notice is hereby given that the regular half-yearly interest of three and one-quarter per cent. (being at the rate of six and one-half per cent. per annum) will be due and payable on January 1st, 1927, and coupons should be presented at the office of the Company, 702 Temple Building, Toronto, Ontario, on or after that date.

Registration and Transfer Books will be closed from December 24th to December 31st 1926, both dates inclusive.

By order of the Board,

A. E. HYNDMAN,
Secretary

December 20th, 1926.

J. G. COATES

(Continued from page 1)

Mother Country. Great Britain and the Dominions are equal partners in the commonwealth—and who will deny it? But if all the partners in a concern cannot be on the spot when a crisis arises, surely it is commonsense to trust to the partner at headquarters."

Canadians will welcome Mr. Coates as the head of a sister dominion, many of whose problems are very similar to our own, as a brave soldier and as a statesman with a broad view of what the Empire stands for and what it can accomplish by united effort of all component parts.

Canadian Pacific

Week end:	1927	192[illegible]	Change
Jan. 7	$3,421,000	$2,973,000	+$448,[illegible]

Canadian National

Week end:	1927	1926	Change
Jan. 7	$4,298,515	$4,107,075	+$191,[illegible]

A LARGE CANADIAN CORPORATION, WITH BRANCH OFFICES IN THIRTY-FIVE CANADIAN CITIES, THIRTY-NINE YEARS IN BUSINESS, DUE TO BUSINESS EXPANSION REQUIRES A FEW HIGH-CLASS MEN FOR THEIR SALES STAFF.

If you are about 30 to 40 years of age—if you have found earning big money is a big man's job, demanding a real obligation of hard work — if you have often wished that you had the opportunity to earn Big Money where the actual results depended upon your own efforts — if the actual story of a man who started with us less than three years ago whose annual earnings have been $5,000—$12,000—$15,000 is a reasonable proof of the possibilities—if you feel that you can qualify, apply for an application blank in your first letter to Box 500, Financial Post, Toronto 2.

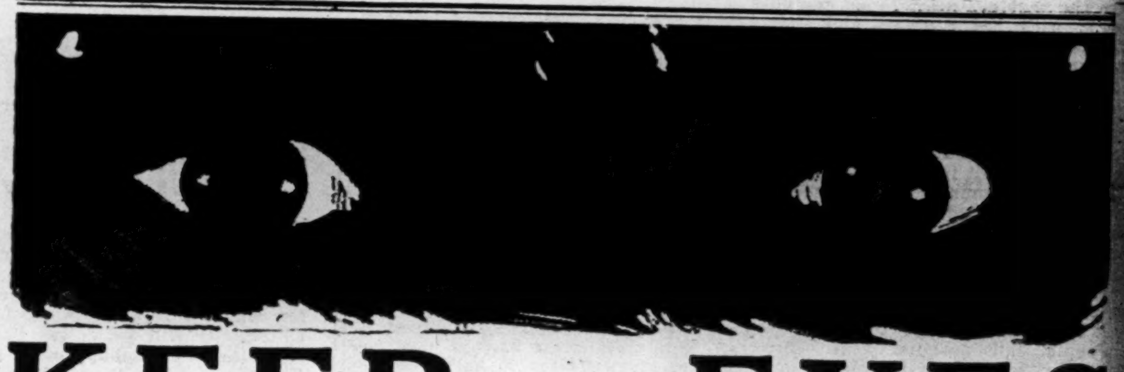
INDUSTRIAL ENGINEER WANTED UNUSUAL OPPORTUNITY

An unusual opportunity for an industrial engineer with broad engineering and manufacturing experience is open with the largest Corporation of its kind. Must be able to make intelligent surveys of various kinds of factories and manufacturing plants.

Opening is known to our staff and is due to business expansion.

All communications, which must contain full information in first instance, will be treated strictly confidential.

BOX 408, FINANCIAL POST, Toronto 2, Ont.

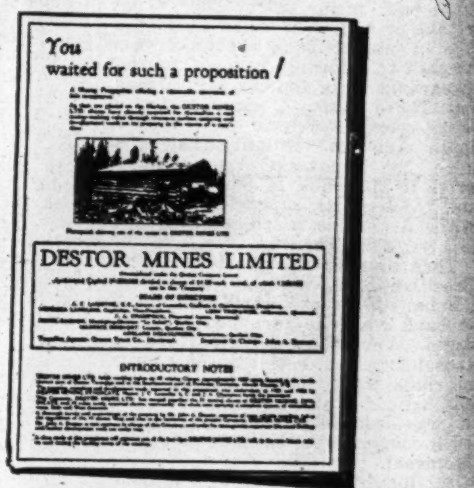


KEEP *your* EYES
ON
DESTOR MINES LTD.

DESTOR MINES LTD. is the **COMING** *Copper Mine of Abitibi. This is warranted by actual FACTS (not opinions) which are given out in the prospectus illustrated here.*

This prospectus is not a heated argument in favor of DESTOR MINES LTD.; it is a cold STATEMENT of FACTS, things which every investor should know about a mining proposition: Engineers' reports, Assays, Geological formation, Railroad and other facilities, Plans giving exact location, area and disposition of the mine together with photographs showing vital spots on the property.

Just as much as undue haste in buying mining stocks without gathering information is condemnable, so would be your neglect to send for the Prospectus on DESTOR MINES LTD.



DESTOR means COPPER

When the DEPTH value of DESTOR MINES LTD. will have been proven with the aid of the DIAMOND DRILLING work, which is going on presently under the able direction of Mr. John A. Dresser, THEN IT WILL BE TOO LATE to buy DESTOR MINES LTD. SHARES at .40c.

Buy these shares NOW at .40c if you would reap the most out of your mining investments.

FILL IN AND SEND COUPON BELOW.

PERCY LUSCOMBE
53 St. Francis Xavier, Montreal, P.Q.

Please send me without obligation your Prospectus giving facts about Destor Mines Ltd.

....

....

F.P. PLEASE WRITE NAME AND ADDRESS PLAINLY.

PERCY LUSCOMBE & CO. LTD.
53 ST. FRANCIS XAVIER ST., MONTREAL. Phone MAin 6223

Canadian Mining News

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, JANUARY 14, 1927 No. 2

POSSIBILITIES OF MANITOBA MINES ARE ATTRACTIVE

Dominion Geologist Reviews Conditions in Central and Northern Areas

FIRST MILL BUILDING

Test of Flin Flon Ores Means Much to Base Metal Area to the North

Developments during the past twelve months in two of the prospecting camps of Manitoba have stimulated interest in the mineral possibities of the large area of this province underlain by pre-Cambrian formations. In the east central Manitoba goldfield, one hundred miles northeast of Winnipeg, according to Dr. J. F. Wright of the Geological Survey of Canada, underground exploration of the Kitchener gold vein has warranted the announcement by the Central Manitoba Mines, Ltd., that in 1927 a 150-ton mill is to be built on this property. In the area north of The Pas, a 25-ton experimental mill is now under construction at the Flin Flon property. If this experiment succeeds a large mining industry is assured for this part of the province, as 16,000,000 tons of copper-zinc ore are proven on the Flin Flon property, and reports of work completed last summer near Gold Lake, forty miles to the northeast, indicate a new and promising field for the occurrence of deposits of similar type

Central Manitoba Area

In the east Central Manitoba goldfield development work was in progress on five gold deposits during the past summer. The Central Manitoba Mines, continued extensive explorations on the Kitchener, Tone 6, and Hope veins. The Kitchener vein has now been followed to a depth of over 500 feet along the dip and 1,500 feet of drifting has been completed on the 375-foot level. The orebody already roughly outlined is now being developed for stoping. The Tone 6 vein is 3,300 feet east of the Kitchener shaft and along the strike of the same general shear zone. On account of thick drift this vein could be traced only 100 feet on the surface. The average width for this distance is 19 feet, and the gold values are uniform throughout the quartz, which is a dark variety carrying abundant chalcopyrite. At present this orebody is being explored underground.

Not So Good at Depth

On the Cryderman group, seven miles north and west of the Kitchener, the Mining Corporation of Canada explored the main vein to a depth of 250 feet, and completed 1,000 feet of drifting. On the surface coarse free gold is uniformly distributed throughout the quartz, but on the 250-foot level the same conditions were not found, and much of the quartz carries no gold.

Victoria Syndicate optioned a group of mineral claims northwest of the Cryderman and completed sur-

(Continued on page 18)

Quebec Gold Belt Said Now to Have Been Financed

The negotiations for financing of Quebec Gold Belt are reported to have been successful. Robert Gamble is stated to have become involved in the financing of the enterprise.

Among other things, the stock is to be changed to "no par value," thereby following the same policy as Noranda. The company is capitalized at 3,000,000 shares, and holds about 4,000 acres—a big part of which is within sight of the Noranda mine and smelter—and situated within half a mile of the town of Rouyn.

High surface assays have been obtaining, while one of the main groups is situated on strike of vein on Huronian Belt ground, where values of $15 across a strong vein in what is regarded as a commercial ore shoot.

Solloway, Mills & Company

Members of Standard Stock Exchange

20 Years Associated With Mining in Northern Ontario

Are you interested in Quebec Mining Stocks? Do you realize the importance of recent developments? We have two expert field men right on the ground to keep us posted to date. The information is at your disposal; it is a Solloway, Mills service maintained for the benefit of our clients. Wire, write or phone for any information you require.

Metropolitan Building
TORONTO, 2 Adel. 6371

Use our Board Room on ground floor.

Large Gold Silver Ore Body Reported in B.C.

Excitement has been started in the Pemberton Valley, British Columbia, by the discovery of a large body of gold-silver near Lillooet Lake. The ore, while not of high grade, is said to appear in immense quantities, the vein having been traced clear from the foot of the mountain to the top, some seven thousand feet. Access to transportation is reported to be unusually easy as the property fronts on the valley, only a few miles from the P. G. E. Railway.

PROSPECTOR GETS $150,000 IN CASH AND AN INTEREST

Interesting Facts Regarding Jamieson Deal With Hollinger Mines

Hollinger Consolidated Gold Mines purchaser of the Jamieson claims in Robb township, eighteen miles west of Timmins, consisting of the holdings of George Jamieson, prospector, A. W. MacDonald and C. H. Johanesen involved a payment of $100,000 on a $250,000, deal the remainder of the purchase price is to be paid to the vendors over a period of eighteen months. Mr. Jamieson's interest is $150,000 and the remainder divided evenly among his partners.

The vendors are retaining a seventeen per cent. interest, Jamieson having ten per cent. and the remainder dividend among the other two. Jamieson is credited with the assertion that the claims as sold show great prospects of an enormous yield of copper and expects that the yield will run to around $10,000,000 Mr. Jamieson has retained other claims in the near vicinity of those sold.

Official announcement that the Jamieson-Hollinger deal was completed is regarded in the north as one of the most important developments that has taken place in the mining industry of the Porcupine for a good many years, inasmuch as it places the stamp of official approval on a section of the country that has long been regarded as favorable for mineral deposition. While to date, the results of assays on the Jamieson claims in Robb township which the Hollinger purchased, has not revealed a high gold content or unusually high percentages of copper, yet the massiveness of the body from which the copper samples were taken is regarded as indicating ore resources. The fact also that values in gold have at other times been found in this section is another factor which encourages the belief that high gold and copper values may be found and associated.

LONG CROSSCUT RUN BY BENNETT MINES

Company Plans to Intersect All Veins Before Drifting Starts

Bennitt Mining Co., operating the Smith-Labine property, Sesekinika, on the T. & N.O. railway, has now accomplished about 400 ft. of crosscutting on the 500-ft. level.

One crosscut is being run south and this cut the large vein that was in the shaft for a time. It was found in 170-ft. and proved to be 31 feet wide. It is spattered with free gold. No systematic sampling has been done, but it is the intention to drift on it shortly. The other crosscut is being run northwest and it is in 200-ft. and will be carried another 150 to cut a number of important veins that are known to exist on surface. It is the intention of the company to cross-cut all the veins first before starting drifting. The company is talking of erecting a 200-ton mill in the spring.

Diamond Drilling Plans for Duprat at Once

Word has just been received that J. C. Houston, E.M., engineer in charge of Duprat Mines, has gone to the property to complete arrangements for diamond drilling which is to commence immediately the electrical survey is completed. The electrical survey will be completed the latter part of this month. No official statement will be issued by the Swedish Electric Company until they have completed the whole survey but it is understood that a wide zone of mineralization has been indicated on the south group and Mr. Houston's visit to Rouyn in connection with diamond drilling seems to bear out this point.

The electrical survey is now being carried on. on the north group on Duprat Mines properties. It is toward the north group where interest centres on account of it being adjacent to the Waite-Montgomery. The diabase dyke on the Waite-Montgomery extends to the Duprat and it is in the neighborhood of this dyke where chief interest is centred.

Duprat has upwards of $100,000 cash in the treasury.

Survey at Don Rouyn

Electrical survey apparatus of Dr. Hans Lundberg has been set up on Don Rouyn. The work is being done in the neighborhood of the Noranda property, which Don Rouyn adjoins. The same survey plan was recently successful on Amulet and Area properties under Dr. Lundberg's direction.

No Reason Why Rouyn Stocks Should Slump

By DANIEL E. CUSHING,
Mining Editor, The Financial Post

ROUYN.—Here in Rouyn, mining men are feeling much depressed because of the bear market in the Rouyn mining stocks, following the spurt of activity at the close of the year. People here wonder why any pessimism at all is abroad.

Certainly, they say, no bearish news of any kind has gone out of this camp to justify a slump in Rouyn stocks.

Mining men close to the Area and Amulet situation are very optimistic. The present market situation centres around diamond drilling operations on Area and it is too soon yet to expect definite information.

Laval is shaping up well and mining men say it is attractive.

Rouyn is growing rapidly. There is much new building. Newcomers are pouring in.

Production of Gypsum in Hants Co., N.S., Ran $1,500,000 Last Year

Output Has Been Speeded Up During Past Few Years and Great Expansion Program is Under Way

Hants Co., Nova Scotia, led all Canada in 1926 in gypsum production, exporting in all 650,000 tons, value near $1,500,000. These operations, though they have been carried on a great number of years, have made great progress the last year or two.

The largest operations are carried on by the Canadian Gypsum Company at Wentworth, about two miles from Windsor. The head office of of the company is at Windsor. Otis Wack is the general manager and he has associated with him a number of engineers, each in charge of a particular branch of the work; most of these are native born Nova Scotians. The company has large holdings of gypsum-bearing property, and operates two main quarries "The Cables" and "Meadow Quarry." The method of operation is open mining entirely.

"Cables" A Big Quarry

The "Cables" is the chief producer and is nearly 1000 feet long, about five hundred feet wide and eighty feet deep. There is an overburden of about 40 feet wide and 8 ft. deep The policy pursued is to thoroughly clear the surface of all earth, leaving a solid wall of gypsum rock. Holes as deep as 60 feet are then drilled and blasted out with dynamite. The gypsum is then removed from the quarry in a number of ways, the chief way being that the light railway cars are let down an incline at the end of the quarry and are loaded either by machinery or from cars and are then hauled up by a hoist and taken to the crusher plant at the shipping wharf.

The quarry is kept clear of water by electrically driven pumps. The loaded cars of plaster are hauled over the company's light railway line, of which there are 25 miles in operation in connection with the works, to the crusher and storage plant situated on the shore of the St. Croix River at Wentworth. where the loaded cars are automatically dumped at the rate of one per minute into the jaw crusher, which has a capacity of about 300 tons per hour, and which crushes the rock into pieces that will go through a three inch screen, it then passes into the conveyor belt and is taken to the mammoth storage building which has a capacity of 25,000 tons, and from there it goes through the loading chutes to the steamer as required.

Formerly the gypsum was shipped by the company on its own plaster barges, three or four of which would be towed to New York by one of the company's tugs. but this method has been abandoned and all rock during the season of 1926 was shipped by freight boats some of which carried 5,000 tons.

It is the intention of the company in the near future to replace these freight boats with ones of their own built especially for the plaster carrying trade.

The gypsum is taken to the company's refining plant at Staten Island, New York and is manufactured into wallboard, plaster, and other gypsum products.

Shipped to New York

The Meadow quarry is located about one mile east of the Cables, and is somewhat smaller. There is very little overburden at all, the rock is loosened by blasting and is then loaded on the cars by gasoline shovels and taken to the crushing plant. In passing it may be mentioned that there are different kinds of gypsum found in these quarries and in quarrying these kinds are kept separate.

The machinery at the crushing plant is run by an electric motor of 260 horsepower, and a large part of the equipment used in connection with the operations is electrically driven, the power for which is secured from the Avon River Power Company's hydro development at Avon Falls.

600 are Employed

On the average the company employs about 600 men, and the quarries run for a large portion of the year, shutting down for a short time during the severe portion of the winter, when a number of the men are given positions on maintenance and repair work

So great has been the demand for this company's products during the past year that it has been necessary to run the quarries and crusher plant both day and night. The future for the company looks bright and next year it is expected that the shipment of gypsum will exceed that of 1926, by a good many thousand tons.

A large storage building in addition to the one already constructed is in process of construction which when completed will give the company storage facilities for over 50,000 tons which will be filled during the winter months when navigation is closed.

Walton Operations

The next important gypsum quarrying is at Walton, where the Rock Plaster Co., of which Hon. Albert Parsons, M. P. P. was manager, has operated for a number of years. This company has recently been absorbed by the Atlantic Gypsum Products Co, of Boston, and it is understood that the operations here are to be greatly extended during the coming year. An agreement has been entered into between this company and the Avon River Power Co., for the supply of electrical power for the working of the necessary machinery, from the hydro plant at Avon Falls the construction of the power line to commence at once and to be completed by the 15th of March next.

Quarrying here is carried on back of the village of Walton and the work is open face, very little overburden is found and this is removed by horses and carts and hauled to the waste dump. The gypsum is loosened by blasting and loaded on dump carts which are taken to the crusher situated at the Pier, where it is crushed and conveyed to the storage building which has a capacity of about 4,000 tons. It is then loaded into the cargo steamers by a conveyor belt, and shipped to New York where it is manufactured into a number of things. Some of it is shipped to Norfolk where it is used in the manufacture of fertilizer.

The machinery is at present run by steam, generated by coal, but it is anticipated that this will be replaced in the near future by electrical machinery.

Cheverie quarries are run under the management also of Mr. Parsons. The quarry is close to the Government Wharf, where the rock is hauled by teams. All the mining is done by hand, the rock is broken into pieces that can be conveniently handled. Practically all of it is shipped in sailing vessels. There is a good demand for plaster from this quarry and work is to continue throughout the winter, a large number of men and teams will be employed.

High Grade Gypsum

Windsor Gypsum Co. quarry is located a short distance from Newport Station. Quarrying is done by hand and the rock is broken into

(Continued on page 19)

WRITE FOR OUR MARKET LETTER

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Bl Mining Company Halts Operations for Winter

The Bl Mining Co., which staked large blocks of ground in Lee and Maisonville Tps., near Sesekinika, has suspended exploratory work for the winter. The company has in all 91 claims, 18 in Maisonville and the balance in Lee Tp. It was on part of these claims that rather sensational surface values were discovered. It is believed that there will be a number of operations going on in there in the spring.

DIFFICULT MATTER TO DECIDE WHICH STOCKS ARE BEST

Leading Mining Issues Present Problem in Picking and Choosing

"Once or twice in the last two years you have advised me to keep the 100 shares of Lake Shore which I bought at $3.50 and still hold. Do you still believe it is a hold for further appreciation? It seems a wonderful profit and I have been considering a switch with International Nickel. I would appreciate your comments.

The above inquiry from the Prairies opens up interesting phases of the mining market as related to the better stocks. The problem presented, could with justice to all, be disposed of by dealing with just the first part of the inquiry, by advising that the Lake Shore stock be held for further appreciation as this seems assured and in the meantime, the yield to the holder is better than 22 per cent. on the present dividend basis. This dividend is likely to be permanent, inasmuch as it is not likely to be lowered and if any move is made at all, it may be to implement this with bonuses. It is believed that the next statement of earnings of Lake Shore will perhaps surprise even the most optimistic.

But International Nickel has possibilities. There are many rumors that the stock will sell much higher and the way the company's business is developing this seems assured. It is, therefore, quite a difficult matter to pick or choose when it comes to two such excellent stocks and it is possible to include several other excellent issues, such as Hollinger Wright-Hargreaves and McIntyre, and still face the same quandary. There have been some wild rumors going about in regard McIntyre, but the company is going along just the same, aggressively and progressively.

Summing up the situation, such an inquiry is a matter of personal judgment, necessitating a background of the financial position of the holder. Either move seems bound to net considerable profits and only time will tell which will be the more profitable. One thing it does emphasize The profits that are to be made in intelligent buying of mining stocks for a long hold. Intelligence and patience have certainly brought their reward in this instance.

Pawnee Will Sink Shaft to 500-ft.

The new steam plant for Pawnee Mines, Kirkland Lake, is now on the property and is being installed. As soon as possible sinking operations will go ahead and the shaft will be carried down to 500-ft. with a couple of levels opened between. The company is well financed, having sufficient cash in its treasury for over a year's work and more assured. J. J. Byrne, who has carried out an exceedingly fine exploration of the Northland Mines, farther to the east, will also have charge of this operation. The Pawnee is located in Lebel Township.

Build New Telluride Mill

Telluride plans the erection of a 50-ton mill immediately. Hauling of material for the buildings should be commenced before the end of the month.

The mill, while of a capacity of but 50 tons per day, will be so constructed as to permit of increase from time to time as production warrants.

AREA SHARES HAVE TURNED OVER TEN TIMES IN 19 DAYS

Total Transactions Recorded Up to Last Week Over 3,000,000 Mark

SMALL AMOUNT OUT

Company Has Issued 1,400,000 Shares, Quarter of Which is in Public Hands

It is a long time since there has been such concentrated trading as has taken place recently in the Quebec stocks. Area and Amulet have been features, but the latter has eclipsed them all, moving up in a month from 25 to 185.

There is gossip abroad about a heavy short interest in the stock. This is quite possible, in fact altogether likely as it is known that there are numerous traders and brokers who think that the gamble in the stock has been carried too far and that the present market range is away out of proportion. Nevertheless the gamble is an interesting one, and by the time this article reaches the public there may be some definite news available about the diamond drilling which has been going on.

Testing by Drill

The electrical survey indicated several ore bodies and the drills are being used to cut these indicated bodies and see if they are commercial. If they are, then the market may swing much higher, depending on the size of the rush to buy. If this is sizeable, then it's hard to tell what will be the top. On the other hand, the public may deem the market high enough to discount the good news and if this proves the case the stock may ease off. However, there is this fact, it would take very little buying to put the stock up as there is such a small amount available for the public.

Small Amount Issued

Of Area's issued capital of 1,400,000 shares there is said to be somewhere between 300,000 and 400,000 shares in the hands of the public. It is believed that the figure is closer to the 300,000 than the other. The rest of the shares are in pool. The turn over of the issued shares has been tremendous. In 19 days trading the total transactions recorded on the various exchanges reached over 3,000,000 or near ten times the amount of stock available for public trading. The transactions with daily price range follows:

Date	Shares Traded	High	Low
Dec. 15	176,000	54	49
" 16	289,450	68	53
" 17	206,350	65	60
" 18	214,750	84	65
" 20	266,500	100	85
" 21	148,000	93	79
" 22	147,400	87	76
" 23	81,000	90	84
" 24	78,300	95	91
" 27	283,000	130	96
" 28	161,000	140	120
" 29	97,450	125	113
" 30	149,000	146	120
" 31	86,200	151	141
Jan. 3	88,000	155	142
" 4	171,000	145	125
" 5	115,240	130	119
" 6	189,490	150	130
" 7	230,625	185	145
Total	3,078,755	185	49

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Many Hopeful Factors in Silver Situation

Prosperity in India Will Mean Heavy Silver Consumption Even if Coinage is Changed — Campaign on to Increase Use of Silver

Silver authorities on this side of the water are predicting an early improvement in the silver situation. They believe that before spring arrives, a change for the better will have taken place. H. J. Dingman, Toronto, has been making a study of silver from a mining point of view and contributes the following interesting views.

In view of the present unsettled condition in the minds of the public regarding the price of silver metal it is well at this time to carefully analyse the subject. While it is true that silver is selling at a low price, yet this is not by any means a new condition. During the pre-war years the price of silver was seldom higher than 60c., at which price silver producers were able to operate at a profit. It will be remembered that in 1915 the price of silver dropped to 47c., the average for the year being about 49c. This compares with 53c. current quotation.

The two main factors that have caused the drop in the price of silver metal are the unstable condition in China, due to a series of revolutions, and the report of the Royal Commission on Indian currency and finance.

In the calendar year 1925, these two countries absorbed more than 70 per cent. of the world's silver production. It is at once realized that the purchasing power of silver metal by India and China plays an important part in the demand for silver.

China's Purchases

In spite of the unsettled conditions in China the net imports of silver for the year 1925 were more than twice those of 1924. Influences affecting the Chinese demand for silver during the past fiscal year, however, have been very diverse. Active warfare in China caused hoarding and at the same time a demand for silver coin to pay troops, both conditions tending to increase the demand for silver. On the other hand, disturbed conditions tended to the accumulation of silver stocks in the foreign banks of the treaty ports for security, a condition which was aggravated by the boycott of British and Japanese goods. The result of this was heavy shipments of silver from China to London, a condition which had not pertained for many years.

It was really this re-export of silver that caused the unsettlement in the silver market. It must be borne in mind, however, that these exports of silver were for the twofold purposes of security from seizure by opposing forces on the one hand and security for credit on the other.

That we may fully appreciate the absorption power of China it should be noted that the United States exported $43,742,077 in silver to China in the fiscal year 1926 as compared with $23,022,808 in 1925. Therefore, a more settled condition in China should promise a more stable demand.

Indian Situation

The condition in India is of a totally different character. The unsettlement in this case has been brought about by an enquiry into the fiscal conditions of the country. The result of the finding of the royal commission roughly is that the government and the banks hold a sufficient amount of silver for present and future purposes. It should be noted that the plan of the commission left undisturbed the place of the silver rupee in the monetary circulation.

Actually the recommendation of the royal commission has virtually no bearing upon the purchase of silver metal for coinage purposes as will be noted in the following statement of imports of silver for the fiscal years 1923 and 1924:

	1923 Fine ozs.	1924 Fine ozs.
Total net imports of silver	92,825,822	86,523,908
Consumption of silver for coinage purposes ..	2,279,994	911,715
Percentage of imports used for coinage	2.5	1.1

It will be noted from the above that India's consumption of silver for coinage purposes is less than 2 per cent of the total amount of silver imported.

What has been referred to commonly as an unfavorable condition in India is not borne out by facts. India's demand for silver would seem to depend more on the general prosperity of the country and the favorable trade balance than on the currency situation. India's trade position has been definitely and increasingly favorable in the last few years, due largely to good crops resulting from successively good monsoons.

Prosperity Means Much

Improving conditions of prosperity in India will be reflected in an increase for the demand of silver metal for the reason that the customs of the people have been for hundreds of years to accumulate silver ornaments for personal adornment.

Reverting again to the plan of the royal commission, the suggestion was made to dispose of the surplus silver held by the government over a period of ten years. The release of this reserve which will find its way into the arts will have the effect of reducing to some extent the demand for importations of silver into India for the next few years. On the other hand, if the country continues to increase in prosperity it will be realized that a population of 275 millions of people should readily absorb this reserve.

We find therefore, that the depressing factors in the silver market are only of a temporary character. On the other hand, there are very encouraging signs of an increased demand in the immediate future for silver metal.

The large American producers of silver have joined in a national advertising campaign to stimulate the demand for silver goods. In August 1924, the silver producers of the United States held a meeting at Salt Lake City at which was organized the American Producers' Association, the membership of which includes the American Smelting and Refining Co., the United States Smelting, Refining and Mining Co., the Anaconda Copper Mining Co., the American Metal Co., the Bunker Hill and Sullivan Mining and Concentrating Co., the Hecla Mining Co., the Federal Mining and Smelting Co., the Nipissing Mining Co., and all the big silver producers in Utah, Nevada, Idaho and other western states, the silver production of which amounts to a total of 100,000,000 ounces annually.

Silver Advertising

At a meeting of the directors of this association, held something over a year ago, it was resolved to join with the Sterling Silversmiths Guild of America in a nation-wide advertising campaign, for the purpose of popularizing the use of sterling silver generally, and particularly for wedding gifts and Christmas gifts. This advertising campaign is now under way and the program called for an expenditure of $300,000 distributed as follows: $20,000 for the last half of 1925; $80,000 for the year 1926; $100,000 for the year 1927; $100,000 for the year 1928; with the understanding that this program will be continued after the year 1928.

Following out this program the Sterling Silversmiths Guild of America has placed full-page advertisements and attractive cuts setting forth the beauty and durability of sterling silverware for household purposes. These advertisements have been appearing for several months past in several magazines. Display ads and cuts have also been furnished to all the principal jewellery houses and dealers in sterling silverware all over the country with a view to bringing sterling silver to the attention of the buying public.

In addition to this program of publicity, the officials of the large smelting and mining companies who produce large quantities of silver, have undertaken to interest the governments of many European countries to adopt silver for subsidiary coinage, replacing the paper money and token money which have been in general use since the war and of which the common people of Europe have become thoroughly tired and suspicious.

Already Producing Results

This campaign has already resulted in a very satisfactory increase in the sale of silver goods in the year 1925 as compared with 1924. While the figures are not yet complete for the year 1926, the indications are that sales of silver goods for the current year will show a marked increase over the preceding year.

Another factor worthy of consideration is that during periods of depression the purchasing power of nationals is reduced. Economic conditions throughout Russia and Europe for the past ten years have been such that the peoples of these countries have not been in a position to purchase luxuries. These European countries are gradually emerging from a period of grave depression to more prosperous conditions. This will be reflected in an increased demand for silver products.

Furthermore, the success of the American Silver Producers in waging their campaign to stimulate the use of silver goods will probably be adopted by the British silver producers.

One cannot help coming to the conclusion that in viewing the silver situation from the standpoint of present and prospective demand, the silver mines have a very encouraging future prospect.

(Signed) H. J. Dingman.

POSSIBILITIES OF MANITOBA MINES ARE ATTRACTIVE

(Continued from page 17)

face work, but disappointingly low gold values were found.

The Eldorado Gold Mines finished preliminary prospecting of their property, and this coming year plan to begin underground work. The San Antonio vein, north of Rice Lake was also thoroughly prospected by surface trenches and shallow pits.

Besides these main activities a few prospectors did assessment work on their claims, and new veins were discovered near the southeast end of the district, in the vicinity of Gem and Slate Lakes.

Lithia Deposit

In the area south of the east central Manitoba gold field some development was completed by the Silver Leaf Syndicate on their lithia deposit east of Pointe Du Bois on Winnipeg River. The lithium-bearing minerals occur in pegmatite dykes, which are numerous in this area. Several new lithia deposits were discovered last summer in the vicinity of Bernic and Cat Lakes to the north of Winnipeg River. The pegmatite dykes of this area should be thoroughly prospected for lithium-bearing minerals, and also for cryolite and gem stones.

Option Carmichael-Murray

The United Verde is reported to have optioned the Carmichael and three Murray claims in Rouyn for approximately $300,000, and will start work on them immediately.

Trail Metal Output $38,000,000 in 1926

It is estimated that the value of metal output at Trail smelters during 1926 will reach nearly thirty eight million dollars. This is nearly six times what it was in 1921. There has been a big increase in development in the lardeau and a larger one is expected with the opening of spring.

Corona, in Same Part as Area, Also Proposes an Electrical Survey

Particular interest at the present time seems to be centred in that section of Northwestern Quebec in which Waite-Montgomery, Amulet, Duprat, American Smelters, Area, Vickers, Corona, Grover Daley, Ribago and U.S. Smeltering and Refining, are located. The most important part of that section to-day being Area Mines and Ribago and U.S. Smelting as in view of the very big results so far obtained on Area and Ribago it is conceded that part of Northwestern Quebec has prospects of big proportions. Recent reports awaken interest on the Corona sandwiched in between Area and Ribago, as the southeast part of Corona on recent work indicates the same mineralization as the other properties, where a very big showing was recently uncovered and resulted in the completing of arrangements for a complete electrical survey. Camp buildings are being erected and the property is being blocked off into squares. The company is well financed.

Says Much American Capital for Our Mines

Plentiful money in American financial circles, partly due to tax reductions which have released large amounts of capital for expansion in investments, has been responsible for the active interest of American financiers in Canadian investments, stated Charles R. Miller, ex-Governor of Delaware, and president of the Canadian Mines Company, who is visiting Vancouver.

Successful stabilization of the Canadian market has been responsible for making investments in this country attractive and placing them on a very high plane, he declared.

Although this group has approximately $2,000,000 invested in mining properties in Eastern Canada they have not extended their interests in British Columbia. Mr. Miller said that while they were primarily interested in the development of eastern properties they were always in the field for new areas that showed promise of rich ore.

The company has lately commenced operations in the Quebec mining district. A mill at Gowganda was completed in the last year. The company was first started in 1901 in the Nevada mining district.

Form Company to Exploit Munro Township Claims

Control of a new copper zinc discovery in the township of Munro has been purchased by a group of Toronto people.

A company has been incorporated, to be known as the Potter-Doal Mines, with a capitalization of three million shares of $1.00 each. One and a half million shares to be treasury stock and one and a half million shares to be issued in full payment of forty-one mining claims, or approximately 1,500 acres.

The discovery consists of copper and zinc ore fifteen to twenty feet wide and on both sides of this ore there is approximately another twenty-five feet of low grade ore. The assays of the rich ore give values of between $40.00 and $63.00 per ton.

Contracts have been let for a magnetic survey to start on or about the twenty-second of January, to be followed by diamond drilling. Camps are now being built on the property and arrangements are being made to install a mining plant as soon as the diamond drills have located the strike and location of the ore body. For the present, Joseph Errington will be in charge of mining operations.

Beardmore Results Said to be Good in Drilling

Diamond drilling has been completed for the present on the claims of the Beardmore Mining Co. Seven holes were put down for a total of about 3,500 feet of drilling, and, as this is the first test of veins at depth here, the work has been followed with a great deal of interest by those in the area.

Encouraging results were obtained, one particularly interesting vein being cut at a depth of 140 feet, which showed a width of five feet, giving assays across that width of nearly $32 to the ton, according to authoritative report.

BRITISH COLUMBIA MINE MEN VENTURE INTO FRESH FIELDS

Chamber of Mines' Report is Very Optimistic in Outlook

Trend in British Columbia mining is northward to the Yukon, declares Henry Browning, secretary of the British Columbia Chamber of Mines in his annual report.

B. C. mineral output is estimated as follows:

1921	$28,066,641
1922	35,158,843
1923	41,304,320
1924	48,704,604
1925	61,492,242
1926 (estimated)	67,718,400

The report of the chamber, prepared by Henry Browning, secretary, is as follows:

"The consumption of metals in the world is increasing and greater demands are, therefore, made on the production. This year we have had many engineers and representatives of large mining capitalists exploring the province, looking for likely mining propositions, and next year we look for more, as no effort is being spared to spread farther afield in the rush to find new deposits.

Looking for New Deposits

"We expect to have a greater trend northward and through the Yukon. It is well known to our best prospectors and engineers that large deposits of lead, zinc and copper are there, but so far removed from transportation up to the present that it has been inadvisable even to stake them.

"The gold of the Atlin and Porcupine districts will receive closer attention, and it is probable large hydraulic and dredging operations will be conducted in the Stikine, Liard, Finlay, Parsnip and Peace Rivers, and their many tributaries.

"Very fine deposits of mica have been opened up in the Tete Jaune Cache district and a splendid new, large silver-lead property on the Ingenika River, forty-five miles from Fort Grahame.

"There is no doubt the Portland Canal district will receive much investigation next year and several new producers are likely to appear in the B. C. Silver, National Silver, Independence, Big Missouri, Terminus, Dunwell, L. & L. and Marmot River properties. It is most probable also that a trail or road will be built to Telegraph Creek from the very enterprising city of Stewart, and a strong agitation made for railway communication east to the Peace River, and a junction with the C. N. R. This appears to be only a matter of time and money.

"The Alice Arm district will see a large amount of prospecting and development. We expect to hear of shipments from the Keystone, Esperanza, La Rose, Toric and others.

Will Treat Black Sands

"The black sands of Queen Charlotte Islands will be tested and the copper-gold deposits of the coast will be worked. All along the line of the C. N. R., at Terrace, Usk, Hazelton, Evelyn, Smithers, Telkwa, Topley and the Babine area, the coal, gold, copper, silver-lead-zinc ores are being mined. Many prospects are working and we look for great development.

"In the central district the placers along the Fraser River and its tributaries will be operated to a greater extent and we look for more hydraulic work and dredging, and a greater production of gold, as very great interest is being taken in this section. The advent of the B. C. Electric Railway Company will help greatly with cheap power.

"Many large copper-gold and silver properties are receiving much attention and we look for a great deal of development along the coast and on Vancouver Island. The coal industry may show some improvement.

Development Progress

"Much profitable work has been done in the gold belt from Lillooet to Chilliwack, and shipments have been made from the Pioneer mine and others, and there will be extensive progress in this section. The Li-lik-el mine, a silver-lead property, now being operated by the Federal Mining Company, shows excellent promise, and it is hoped this will soon enter the shipping list.

"The silver-lead-zinc properties in the Kamloops area are becoming very important, the Homestake having shipped 1,510 tons to Trail already this year. The Cotton Belt Mines in the Shuswap Lake area are being intensively operated under the best of management by B. F. Lundy, with F. W. Guernsey as consulting engineer. Several engineers have given good reports thereon and state that it contains large bodies of good ore, and we look forward to a concentrator being built in that neighborhood. We anticipate that this splendid property will become one of the most prominent and successful shippers.

"Active work has been carried on at the Emancipation Mine in the district near Hope. The Tulameen country is being rapidly opened up through the good work of W. B. Dornberg, whose company has constructed a road some twenty-four miles long to some excellent silver-lead properties of considerable promise, and we look for ore or concentrates to be shipped during the year.

"The Tulameen and Similkameen placers receive constant attention from prospectors and mining companies and occasional discoveries of gold and platinum are reported.

Kootenay Prospects

"The Lardeau and East and West Kootenays are all being extensively worked, and many shippers send ore to the Trail smelter. Old properties which have been lying idle for years have been unwatered, and are now operating. The recent fall in the price of silver has been a heavy drawback, however, and will retard mining somewhat. The Silversmith has ceased operating for a time in consequence. The great Sullivan Mine at Kimberley has been producing regularly and is a marvellous mineral deposit of lead-zinc-silver ore, operated by perhaps the most capable and successful mining company in Canada; that is, the Consolidated Mining & Smelting Company, with S. G. Blaylock as general manager.

Tonnages at Trail

"The Nelson Daily News of December 21, 1926, gives the tonnages received at Trail this year as follows:

	Tons
Company-owned mines	388,615
Customs ore	162,187
Total	550,802

"The largest shippers of this tonnage are:

	Tons
Allenby Copper Company..	33,706
Stemwinder, Kimberley	18,819
Lucky Jim, Zincton	18,621
Yankee Girl, Ymir	16.482
Blue Bell, Riondel	15,500
Whitewater, Retallack	9,662

and many small properties.

"We expect many more prospectors and mining engineers to be looking for mineral deposits next year, and for capitalists to take a far greater interest in their development. There is no doubt that the mineral production will reach a higher figure than ever before except for some unforeseen catastrophe. We are expecting a year of increased development by companies of the highest standing in the mining world, and there is no doubt another record will be made in the mining industry of British Columbia."

Rouyn-Boischatel Sells 240 Acres

At a special meeting of the shareholders of the Rouyn-Boischatel Development Company, Limited, it was decided to dispose of the north property of 240 acres in Boischatel Township, Quebec, to a new company about to be incorporated under the name of the Thormoor Mines. The new company will also take over 400 acres in Boischatel Township to the southwest of the north property.

Syndicate Has Holdings Near the Waite Group

Another new Quebec mining venture located in the heart of the active area in Duprat Tp., has been placed on the market in syndicate form. Duprat Lake Mining Syndicate. The syndicate has 12 claims, about 600 acres. A report on its holdings says it is cut by a diabase dyke, presumably one passing across from Waite-Montgomery. A dip needle survey is said to have indicated the presence of ore bodies. Joseph Houston, M.E., is consulting engineer and will oversee the development of the group.

Standard Exchange Moves Next Week to New Quarters

At the nineteenth annual meeting of the Standard Stock and Mining Exchange, this week, the officers and directors who were recently re-nominated without opposition were declared re-elected.

President F. J. Crawford drew attention to the remarkable growth of the business of the exchange, which had expanded along with the mining industry of the north country. The past year, Mr. Crawford stated, was the best the exchange had ever had. The possibilities for the future, he said, were still greater, the potentialities of the great north country being beyond reckoning at the present time.

This annual meeting marks a milestone in the history of the exchange, as it immediately precedes the moving into new quarters. Officers and directors for the coming year are as follows:

President, F. J. Crawford; first vice-president, N. C. Urquhart; second vice-president, F. M. Lorsch; secretary, Draper Dobie. Directors—J. T. Eastwood, D. G. Lorsch, L. J. West, H. L. Gibson, Malcolm Stobie, and A. L. Hudson.

At Work on Grover Daley

A small gang of men is at work on the Grover Daley doing surface work and constructing necessary buildings.

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will be found in the special Quebec issue of Gibson's Fortnightly Mining Review, which will be off the press tomorrow.
In this issue reliable details concerning a number of Quebec issues which have figured prominently in recent trading are given in addition to valuable information on the field in general.
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"SMELTERS" OUTPUT TOUCHES NEW LEVEL

Net Earnings for Year May be Well Over Par Value of Stock

From Our Own Correspondent.

MONTREAL.—The production figures of the Consolidated Mining and Smelting Company for the year 1926 compare more than favorably with the output of 1925, and show tremendous gains in each department of the company's activities. The figures comparing the 1925 and the 1926 output and the output during the four quarters of 1926 follow:

	1926	1925	Inc.
Lead (tons)	124,966	103,036	21,930
Zinc (tons)	61,798	38,535	23,263
Copper (tons)	10,561	183	10,378
Gold (ozs.)	51,770	20,516	31,254
Silver (ozs.)	6,913,272	4,704,635	2,208,637

	4th. quart.	3rd.	2nd.	1st.
Lead	33,398	30,307	30,657	30,608
Zinc	16,642	15,313	15,664	14,179
Copper	2,309	2,791	3,267	2,194
Gold	11,687	12,357	15,251	12,475
xSilver	1,844	1,762	1,515	1,790

x000 omitted.

From the foregoing figures it appears that a 20 per cent. increase in the gross revenue for the year might be anticipated. Last year the gross earnings amounted to $28,000,000; for 1926 it seems as though they may touch the $35,000,000 mark, despite the fact that the company received lower prices this year for its output.

A Forecast of Earnings

Figured on the same basis as 1925, gross earnings of $35,000,000 would mean net profits of almost $15,000,000. This compares with a par value of the company's capital stock of $12,675,300. In other words, it looks very much as if earnings at present are running well in excess of the par value of the shares, namely, $25 a year.

But it is difficult to base any forecast of earnings on production figures, for the prevailing markets for the output of the company are considerably lower than those which obtained in 1925. Then, again, it is impossible to take into consideration the ups and downs which must occur in mining costs.

This year the output has been materially increased which, in the ordinary course of events, would make for lower production costs. But, on the other hand, the company may have run into, or may have smelted, lower-grade ores, all of which naturally affects the net earnings. So that, until the actual publication of the annual report, the shareholders can only guess at the results which have been achieved during the year just concluded.

Young and Wright Join Howey Gold Mines Staff

John E. Hammell, president of Howey Gold Mines, Limited, announces that Horace G. Young has been appointed manager, and Douglas G. H. Wright chief geologist of this company. Mr. Young has been manager of Castle-Trethewey Silver Mines, Limited, and Capitol Silver Mines, in Gowganda, during the past year. Mr. Wright has been chief geologist of Dome Mines, Limited, for several years, and has had valuable experience in the Red Lake field. Mr. Hammell stated some time ago that he would secure the most efficient management possible. Messrs. Young and Wright are recognized as outstanding in their respective fields. Following the appointments yesterday afternoon, tenders were called for a complete mining plant, and contracts are being sought for the hauling of 400 tons of supplies and equipment from Hudson to Red Lake, commencing within 30 days.

Finance Thomson-Cadillac

Thomson-Cadillac Company is proceeding with financial arrangements for development of properties in the Rouyn field. The company is capitalized at 2,000,000 shares, of which 1,200,000 are in the treasury.

Properties held by the company are spread in various townships, the more important at this time being adjacent to holdings of M. J. O'Brien, Ltd. Diamond drilling has indicated interesting mine realization, one section of core five feet in length carrying $8 per ton.

Houston Preparing Report

J. Houston, engineer for Corona Mines, is stated to be preparing a report, following a visit to the property. Mr. Houston is understood to be very favorably impressed with the situation, and the report is expected to reflect this favorable outlook.

Pellatt Says All is Rosy at C.W.D.

A statement was issued this week by the president of Consolidated West Dome Lake Mines, Sir Henry M. Pellatt, C.V.O., following a meeting of directors.

Sir Henry absolutely denied the statement that anyone was in a position to foreclose on the property. The company owes only current accounts and wages, which will be taken care of in the regular course.

Reports from the mine are very encouraging and production is as usual. It was pointed out by the manager that with a little more money for development in excess of that obtained from shipments, production could be speeded up and ore reserves increased. The confidence of the directors in the property was shown at the meeting by their agreeing to subscribe personally the amount considered necessary by the manager for this work.

Eldorado Will Sink Shaft to 500 Feet on Properties

Eldorado Mines will sink to 500 feet on their properties at Long Lake, in Central Manitoba. Stations will be cut at 125 feet, 250 feet, 375 feet and 500 feet, and lateral work done at these levels.

Gilbert La Bine, who is general manager of the company, is an old mining man, whose Kirkland Lake mining experience will stand him in good stead on this type of deposit.

The Eldorado group was staked in 1917 by Gilbert La Bine and Bill Walton, and has been favorably commented upon by various mining men and engineers. Work has been done gradually with the limited funds at the disposal of the owners, and last year the property was incorporated by Ontario charter into the Eldorado Gold Mines, Limited, with a capitalization of $3,000,000 in shares of $1 par. The officers and directors of the company are:

Chas. L. La Bine, president.
John Watt, vice-president.
H. M. Tarras, secretary-treasurer.

The Eldorado group consists of 14 claims, having an area of approximately 600 acres, and are about one mile southwest of the Central Manitoba mines properties at Long Lake. The main vein on this property has been traced for nearly 3,000 feet by stripping, trenching and test pits.

Half Finished in Duprat With Electrical Survey

Duprat Mines' electrical survey of the south group has just been completed and surveying of the north group is to proceed immediately. It is toward the north group where interest centres on account of its being adjacent to the Waite-Montgomery. The diabase dyke on the Waite-Montgomery extends on to Duprat, and it is in the neighborhood of this dyke where the chief interest is centred.

Survey of Duprat will be completed by the latter part of January, at which time Dr. Lundberg will place his report in the hands of the directors. The report of an indication of a wide zone of mineralization on the south group is understood to be correct.

Canadian Lorrain Will Ship During January

Huronian Belt Company has issued an official report on its properties for December.

Keeley Silver Mines produced during the month, 125,144 ounces of silver and 11,085 pounds of cobalt.

Vipond Consolidated Mines milled 8,206 tons of ore and shipped bullion, to the value of $56,300.00 during the month.

Canadian Lorrain Silver Mines. A new mill has been in continuous operation during the latter half of December, and a carload of concentrates will be shipped in January.

Will Continue Shaft on Kirkland Townsite

Contract has been let for the continuing of the shaft on the Kirkland Townsite Mines from its present depth of 603 feet to 700 feet, along with a further contract for 250 feet of cross-cutting from the 675-foot level. Veins which showed interesting values closer to surface will be further explored at these levels.

In addition, diamond drilling is planned from underground workings. Some of this work will also be done from the south side of the property with the dip of the holes to the north. On the Blake claim adjoining the Townsite on the east, a narrow vein showed fine gold values in a shaft sunk to a depth of 100 feet.

Form Diamond Drilling Corporation in North

Application has been made for a provincial charter for Kirkland Diamond Drilling and Development Co., capital $100,000.00, divided into one hundred thousand shares. Fifty thousand shares will be sold at $1.00 per share. This company has bought the entire diamond drilling equipment of Dan Chisholm.

It is the intention of this company to carry on the business of contracting diamond drilling, and also to option desirable properties and drill the same for an interest in the property, with the view of turning it over to mining companies or others looking for properties that have been proved in this way.

The temporary directors of the company are: T. J. Flynn, D. D. Chisholm, A. J. Perron, W. A. Howes and M. A. McNeil.

Soon Finish Smelter

Pilot smelter of the Flin Flon Mine is expected to be ready for operation on March 1. Over eighty men are working at the Flin Flon, and it is in daily communication with the Pas by radio. Practically all material for the smelter left the Pas last week in a convoy of 49 teams.

Rumor Huronian Options Claims

Huronian Belt Mining Company is reported to have optioned a large group of claims in Montbray Township, Quebec, immediately west of the Nipissing holdings in this township.

PRODUCTION OF GYPSUM IN HANTS CO., N.S., RAN $1,500,000 LAST YEAR

(Continued from page 17)

pieces that can be easily handled, loaded on flat cars and taken to the shipping point at Windsor, where it is transferred to foreign boats and taken to Newburg, N. Y. The gypsum from this quarry is of very high grade and is used chiefly for the manufacture of plaster of paris in connection with the dental trade, confectioners' molds, statuary and architectural work where a fine quality product is required. The company is not planning any special development for the coming year, but anticipate that a slightly larger quantity of gypsum will be quarried than in the past year. Miss Effie Mosher, of Windsor is the manager of this company.

Plaster and Lime

Windsor Plaster Co. operates two small quarries, one at Clarkesville and the other on the outskirts of Windsor. The gypsum from these quarries is taken to the mill at Windsor where it is manufactured into hard wall plaster. The company's products enjoy a good reputation and are sold throughout the Maritime Provinces and some also has been shipped as far west as Montreal. The plant operates the year round. C. Henry Dimock and Jesse P. Smith are the owners of this plant.

Eastern Lime Company operates a plant at Windsor on the property of H. C. Burchell, who is the proprietor of this concern. Two quarries are operated, one of which produces limestone, which is ground up and sold as fertilizer while the other produces material for the manufacture of hydrated lime, which is either sold in this form or mixed with insecticides, which are sold to the United Fruit Company for the use of the apple growers of the Annapolis Valley. A large proportion of the Nicotine, Bordeaux and Sulphur mixture sold and used in the valley is prepared at this plant. Copper sulphate is also prepared here. The machinery is all electrically driven from power obtained from the Avon River Power Company.

Altogether this is a most valuable industry to this country, and the industry has made its greatest strides during the past few years, and it is safe to predict that it will continue to grow. The supply of this mineral is well nigh inexhaustible, and there are large deposits of it throughout the county that have not as yet been touched. The uses of it are many, practically a complete house can be built out of it in its finished form, with the exception of the windows and doors. It furnishes employment for many people at good rates of wages, and is the leading industry of Hants County.

MINING STOCK QUOTATIONS

Week Ending January 11

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Jan. 11 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926-7 High	Range, 1926-7 Low
Anaconda	.	...	...	45	36	37	445525	..	..	45	34
Amulet	1	...	...	2.89	2.30	2.60	414836	1.50	.85	2.98	.90
Algonquin	1	...	...	3½	2¾	2¾	74300	3	1	6¼	1¼
Apex	1	...	...	...	..	..	...	3¾	2	6	2½
Area	1	...	...	1.95	1.19	1.58	1113195	..	..	1.95	.21
Argo. Con.	1	...	...	58	51	53½	173950	48	11	67	18½
Atlas	1	...	...	3	2⅛	3	11000	5¼	¼	5	1⅝
Amos	.	...	...	51	40	47	27600	..	..	51	40
Abana	.	...	...	24	20	24	2000	..	..	24	20
Baldwin	1	...	...	3⅛	3	3¼	19000	7	1⅞	6⅞	1
Barry Holl.	1	...	...	.90	.85	.85	88962	.50	.18	1.00	.22
Beaver	1	...	...	75	72	73	19500	57	25	99	51
Bellellen L.	1	...	...	20½	20½	20½	9000	..	..	23½	20
Bidgood	1	...	...	9½	7½	8	21000	16¼	4¼	9⅝	4½
Boston Creek	1	...	...	...	..	..	...	..	..	..	..
Bourlamaque	.	...	...	1.48	1.43	1.48	45950	..	..	1.48	1.02
Buckingham	1	...	...	9½	7	9	510800	5¾	2¼	9½	2
Can. Lorrain	1	...	...	58	51	57	22425	80	22	93	51
Capitol	1	...	...	25¾	25	25	28050	38	24	48½	24
Castle Tre.	1	...	...	1.08	1.02	1.05	35742	1.60	.71	1.85	.91
Chaput H.	1	...	...	7½	6½	6½	68500	10	4	22	3⅛
Clifton	1	...	...	2	1½	2	4750	26	2	6½	1
Coniagas	5	...	...	4.40	4.25	4.35	1350	5.00	1.25	4.80	3.00
Coniaurum	5	...	...	4.40	3 20	3.35	650	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2¼	2	2	32000	10½	2	25	2
Cons Smelter	25	10	3.97	255	250	251½	5805	183½	48½	265	177½
C. W. Dome	1	...	...	17¾	16¼	16¼	132333	25	10½	29½	14
Crown Res.	1	...	...	11¾	10	10½	31400	55	15	24¼	8
Corona	1	...	...	33	28	30	187700	..	..	37½	20
Destor	.	...	...	41	40½	40	3700	..	..	41	40
Davidson	1	...	...	3	2½	2½	10000	5	1¼	3	1½
Dome Mines	None	2.00	20.00	10.85	10.00	10.01	5415	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	56	51	55	189000	..	..	61	25
Duprat	1	...	...	34½	28	33	733650	..	..	35½	10
Fiske	.	...	...	30½	22	30½	6400	..	..	30½	12
Everett	1	...	...	4½	3¾	4¼	27000	10	4	12¼	3¾
Goldale	1	...	...	29	27¼	27½	61225	37	14¾	43	24
Gold Hill	1	...	...	52	45	48	38350	..	..	73½	25
Gold Reef.	1	...	...	2	1½	2	17000	2½	1	5	1
Grover-Daly	.	...	...	37	25	32½	926350	..	..	37	22
Hillcrest	100	6	...	65	65	65	120	..	..	65	55
Hill Top	1	...	...	23	20	22	31550	..	..	31¾	20
Hollinger	5	26	6.26	20.95	20.45	20.75	6520	17.50	13.30	21.00	16.65
Indian	1	...	...	4½	4½	4½	300	17¾	3½	14½	3¾
Int. Nickel, c.	None	2.00	4.65	43¾	38¾	43	39742	48⅝	24¼	46	33
Jay Copper	.	...	...	1.15	1.14	1.15	14600	..	..	1.15	.73
Keeley	1	24	15.64	1.55	1.45	1.53	20855	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	12	10	10	30600	15⅞	8½	22	10
Kirk. Hunt.	1	...	...	31	28	30	95900	..	..	34	8½
Kirk. Lake	1	...	...	.95	.89	.91	129675	.92½	.33	1.44	.69
Lake Shore	1	40	2.46	16.25	15.40	16.24	19497	10.00	4.51	16.25	9.60
Lakeside	1	...	...	4¾	3½	4¼	76550	15¾	2½	10	1⅛
Laval, Que.	1	...	...	50	39	49	985330	..	..	50	21
La Rose	1	...	...	...	..	..	...	53	7½	39	4
Lorrain	1	...	...	2½	2½	2½	9000	24	7	15	2
Lorrain T. L.	1	...	...	...	..	..	...	1.34	.85	1.10	.30
Marclay	1	...	...	36¼	34½	35¾	19200	..	..	36¼	30
Macassa	1	...	...	37	32	35½	183850	..	..	43	25
McKinley	1	...	...	13	12	12	28200	42½	14½	26	8½
McIntyre	5	20	3.81	26 50	25.50	26.20	7918	22.70	16.00	29.75	22.70
Millcrest	1	...	...	5½	4¾	4¾	4500	..	..	21	3½
Mining Corp.	5	12½c.	...	3.35	3.05	3.25	13765	3.40	2.35	4.45	2.60
Moneta.	1	...	...	12	12	12	3300	18¼	12½	18	11
Montreal Rouyn	1	...	...	30	30	30	19600	..	..	60	13
Noranda	None	...	...	23.90	22,50	22.60	25999	15.50	9.10	24.25	12.00
Newray	1	...	...	...	..	..	...	44	17	45	31
Night Hawk	1	...	...	7½	4¾	5	62100	49½	6	17	3¾
Nipissing	5	12	6.55	9.41	8.10	9.15	67153	6.80	4.60	9.41	5.00
N. Amer. Lead	.	...	...	1.78	1.72	1.77	35000	..	..	1.78	1.50
Pete Lake	1	...	...	...	..	..	...	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	13½	12	13½	39411	..	..	32	12
Porc. Crown	1	...	...	11	9½	9¾	52000	8	2	12	4
Pioneer	1	...	...	1.18	1.09	1.14	82250	..	..	1.22	.66
Premier Gold	1	32	16.90	1.93	1.88	1.89	37625	2.58	2.19	2.75	1.83
Preston	1	...	...	5¼	5	5	4500	12	6½	92	4
Osisko	.	...	...	1.70	1.49	1.55	12900	..	..	1.94	1.05
Rouyn	.	...	...	4¾	3¼	4½	151700	10	3	9	1⅞
Rouyn, Que.	.	...	...	3¾	3	3½	103300	..	..	4½	1¼
South Keora	1	...	...	37¾	35¾	37½	77470	26	20	37¾	5
Stadacona	1	...	...	54	50	53½	103700	..	..	54	40
Teck Hughes	1	10	1.57	6.40	5.37	6.35	229335	3.00	1.23	6.40	2.64
Timiskaming	1	...	...	7	5½	5½	2800	30	11½	15¼	5½
Thomp. Krist	1	...	...	...	..	..	...	3	1	3½	1
Tough Oakes	1	...	...	60	57	58	211600	61	25	65½	36
Towagamac	1	...	...	5.60	4.80	5.30	37340	..	..	6.10	3.15
Vic. Silver	1	...	...	5	4½	4½	15000	31	5	9½	3⅛
Vickers	1	...	...	1.30	1.25	1.30	36720	.20½	.3	1.30	.13
Vipond	1	...	...	1.75	1.60	1.62	60825	1.61	1.01	2.02	1.49
Wakenda	1	...	...	...	..	..	...	3½	1	2¾	1
Wasapika	1	...	...	...	..	..	...	3⅜	1	4	1
West Tree	1	...	...	4	3⅞	3⅞	17700	5	2	4	2
Wettlaufer	1	...	...	3	3	3	1000	17	3½	10	2
Wright Har.	1	37½	3.80	9.99	9.45	9.87	33174	7.95	4.15	10.00	7.75

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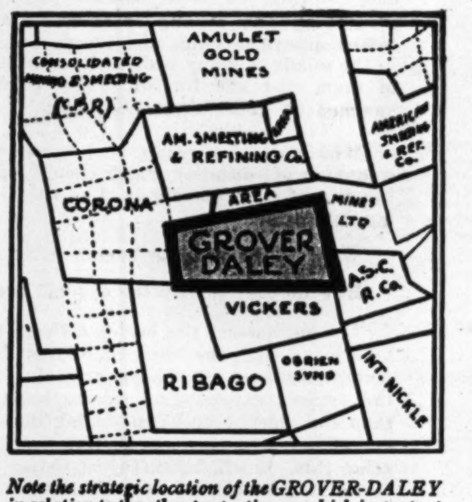

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VICKERS	"	.10	" 1.29

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News From Rouyn

PRESENT conditions in the Rouyn area are reminiscent of the early boom days of Cobalt. In Rouyn, as in the other camps, you will find a Moysey man on the spot in constant touch with this office over our own private wire.

This far-flung intelligence service operates in the interests of investors in securing advance information of new developments at the mines which are likely to influence the market price of the stocks.

We invite you to take advantage of our facilities.

We have the only private wire from the Rouyn Camp

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Mining Inquiries

Duprat-Quebec Rouyn

I would like to have information on Duprat. Do you consider it a mine on which it is worth while to take a chance? Also, your information on Quebec Rouyn Gold?

Both issues you enquire about are speculations, yet to be proven. Duprat is now conducting an electrical survey on its two Duprat Township groups and will follow this by diamond drilling. It is also announced that a new 500 acre group has been taken up in Montbray Township near Nipissing. On location alone, the speculation has been considered attractive.

Quebec Rouyn gold has well located holdings.

Teck-Hughes

Will you kindly give me your opinion of Teck-Hughes? Do you think it is likely to advance to substantially higher levels, or has it reached its limit?

The performance of Lake Shore during the last four years inclines me to try my luck in one of the lower-priced gold stocks, but, before doing so, I would like an unbiased opinion. How about Vipond and Kirkland Lake?

Teck-Hughes looks attractive. The company is building a second mill and it will take perhaps the best part of the year before the mine will be in a position to give a full account of itself. Its ore bodies are extensive and quite rich.

Vipond looks to possess attractive possibilities for a hold. Kirkland Lake Gold may work out.

Boischatel Mines

Will you kindly favor me with your views on Boischatel Mines, Ltd., Quebec copper-gold area, offered and recommended by D. S. Paterson Company? Are these people reputable, and is their strong recommendation to be relied upon?

They say: "Substantial finances are in treasury to proceed with development. Tenders for diamond drilling are being called for, and a contract is being arranged for an electrical survey."

Would you regard purchase of these shares as an attractive speculation?

We should judge that Boischatel Mines, when the shares come on the market, will prove an attractive speculation, perhaps for a quick turn rather than a long hold.

D. S. Paterson & Co. is quite a reputable house.

McIntyre

As a subscriber, may I ask a question? Last week a representative of a Toronto firm called on me. He suggested my buying 100 shares McIntyre by hyopthecating, say, 300 shares Teck-Hughes with his firm. I am aware that the buyer in such a case may be called on for margin in a sagging market, but, providing he is safe that way, do you consider this practice safe with a firm such as the one I mention?

The firm mentioned in your letter is a reliable firm. Your 300 Teck-Hughes would be worth $1,650 and 100 McIntyre would cost $2,500. They would likely allow you a credit of about $1,500 on your Teck and charge you interest on the remaining $1,000. At least that is the way most houses do. Your McIntyre and Teck-Hughes dividends would go to pay a part of your carrying charges.

Eldorado

I wish to find out some information concerning the Eldorado Gold Mines, Ltd. Have they a good opportunity in sight?

Eldorado Gold Mines is located in Central Manitoba, near the new Central Manitoba Mines which is just starting to build a mill. The work done on the property, consisting of two shafts and a considerable amount of surface work has revealed a very interesting condition. The vein shows a good sloping width and quite consistent commercial values for a great length.

An engineer who was recently over the property remarked that it would be a lesson to many concerns to see the large amount of work accomplished and the splendid camps, erected for the money spent. The work is being carried on very economically. As soon as electric power is available, which will likely be in the early spring the company intends to sink its shaft to 500 ft. The operation is in good clean hands.

Consol. West Dome

I would appreciate very much a report from you on West Dome Lake Mines. I bought shares at various times during the last three years at different prices, but which average me around 23 cents a share. What I am concerned about is this: I cannot get any news out of them about the mine or the financial affairs of the company. According to a market letter, which I have been getting for 37 years now, they have the mine in great shape and everything is looking fine. But, when I compare their statements with the government reports, issued every three months, I find a great difference. There seems to be something wrong down at Toronto. Officials have promised shareholders a meeting several times during the last two years, but there has not been any held yet. I see by the Toronto Star that there is trouble among the directors. I think that the shareholders should be studied a little once in a while.

I also see that the department of mines is going to make regulations compelling mining companies, forcing them to issue annual reports and to send one to each shareholder. If they do that, they will be doing something worth while.

I would like you to give me the position of the company as it actually exists. I am getting a little afraid of it and would like to be able to decide whether to hang on or get out.

Your letter presents a legitimate grievance. Consolidated West Dome Lake shareholders have been long denied information of a detailed nature such as should be contained in an annual report. Our surmise is that there is not an awful lot of news that could possibly come from the mine; that the operation has been and is experiencing hard sledding, just paying its way and allowing for addition. This exploratory program to date has been successful enough to keep enough good ore coming to keep the mill operating. That is the only thing that is keeping the operation going. An official of the company told the writer at the time the mill was started that there would be no more money forthcoming and that the operation must carr- itself. The surmise at the time was that the treasury was exhausted, and that fact, more than anything else, forced the starting of the mill.

We should imagine that the operation is in much the same position as Teck-Hughes was about the time the bond issue was put out and for some time after when the bond interest could not be met. It ultimately survived, but great credit was due to the officers who succeeded in saving the venture for shareholders while the management continued looking for a mine.

We should also judge that the C. W. Dome situation is just a little more aggravated than that of Tough-Oakes Burnside was for some time until lately and that of Argonaut and Barry-Hollinger for a considerable time.

These operations all provided shareholders with heartaches. It is true, however that some of these concerns kept their shareholders informed, but some of them were dilatory in this regard. The big thing, however, is that they kept on trying. Teck-Hughes is a great big mine; Tough-Oakes is doing much better and as one engineer recently said "is threatened with success;" Argonaut and Barry seem out of the woods because of success in deeper development and there remains C. W. Dome.

Tough-Oakes went for 21 months without a report. Any report issued in that interval would have been discouraging. We imagine that is why C. W. Dome is holding back. The minute the operation picks up, undoubtedly the directors will all rush out to say so.

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MONTREAL

An Investment Organization for the Mining Industry

THE rising tide of public interest in mining, and in the campaign of education in which we have been engaged, is compelling us to make an announcement of plans somewhat earlier than we had contemplated.

Throughout the whole course of my mining life, official and private, I have watched mining successes and failures and have given particular thought to the problem of the small investor; the man and the woman who should somehow have a chance to share the great profits of mining through the safeguarded investment of their money.

Lest anyone think that in the educational campaign which we have been conducting I have been endeavouring to arrogate to my own organization the exclusive credit for the thoughts expressed, I would like to say that many of the ideas and most of the inspiration have come from men in every branch of the mining industry, including brokers and newspaper men whose function is as essential to an industry as that of the technical man. I believe the public would be amazed at the amount of careful thought that has been given for years to making the industry safe for capital, and if we have taken a decisive lead in this matter it is simply because someone must put into effect the ideas and the ideals which really belong to a large number of people.

During the past year, and particularly the past two months, I have on behalf of my association been endeavouring to mold opinion to certain ideas of mining and mining investment, and this has raised questions from individuals which may exist in the minds of many people. I would like to dispose of them once and for all. These questions can be summed up under three headings:

Why does one group of interests undertake a campaign of education which should logically be the function of governments or of an association of mining interests?

What is the purpose behind it?

How do they justify the expenditure involved?

Let me answer the last one first. It is common knowledge that the bane of mining finance is the tremendous cost of raising capital. In some cases the amount expended in raising capital is greater than the amount spent in mining development, and one of our problems was to find some way of obviating this. It will be sufficient to say that we have found it possible, by an expenditure largely confined to advertising, to raise capital at a cost lower than that usually required in raising capital for the average industrial enterprise, and approximating the cost of selling an issue of bonds. By so doing we have solved the problem described, and this is the complete answer to the question of justification for expenditure on advertising.

The first and second questions will be answered as our plans are finally disclosed, but I take this occasion to make a preliminary announcement of the fact that I have been engaged for sometime in organizing an advisory board made up of each element concerned in a mining enterprise, technical, legal, financial, and statistical, the purpose of this board being to examine every mining proposition offered to the public with a view to determining what can on every ground be recommended for investment, with the specific intention of providing for the average investor a means of finding his way into mining investment with the same reasonable assurance with which he can buy a bond.

I am absolutely convinced that there is scope to-day in the development of Canada's mining resources for investment which entails a negligible risk.

And again to answer the question of economic justification for such an organization, I would put it this way: that with every other industry have grown up organizations dedicated, whether expressedly or not, to the idea that a great and profitable structure can be reared on the basis of service to a large number of people with a reasonable ratio of profit to those who direct it. The outstanding examples of this are banks and investment companies of different types which occupy a highly honoured place in the life of the country. The reason they do occupy this place and have grown from year to year is that they have been content to render an expert service at a reasonable profit. Those who do not occupy the honoured place have probably failed to do so because they were founded with the intention of securing too large a share of the profit of any transaction which passed through their hands.

It is generally conceded among thoughtful people that there is a place in the mining industry for an organization which combines the highest degree of technical skill, legal knowledge and financial judgment combined with ordinary business integrity in such a way as to provide at reasonable cost a means by which even the smallest and most timid investor can find his way into mining with the assurance that his interests are going to be as closely safeguarded as they would be by his own bank manager.

A more specific announcement of the organization outlined above will be made at an early date.

Robert Harvie *President*

Harvie Mining Exploration Company, Limited

Canada Cement Building
Montreal, January 12th, 1927

Dr. Harvie recently prepared for some of his friends a few notes on the subject of mining investment. These have now been published in the form of a booklet entitled "Points for serious consideration in mining investment." A copy will be gladly sent on request.

Bank of Toronto Reports Another Record Year

The Annual Meeting of the Shareholders of The Bank of Toronto Was Held Wednesday, January 12th, at the Head Office, Toronto. The Addresses of the President, Mr. W. G. Gooderham, and of Mr. John R. Lamb, General Manager, Were Given as Follows:

PRESIDENT'S ADDRESS

The Report which the Directors have pleasure in placing before you to-day is again of a satisfactory character.

There has been a fair increase in our volume of business. The gain in interest-bearing deposits of over 5 millions, following an increase of approximately the same amount a year ago, is very satisfactory. Profits are naturally somewhat better, and on the whole we can congratulate ourselves upon another good year's business.

It is the usual practice to address a few remarks to the shareholders at this time, but I shall avoid taking up your time with a repetition of figures relating to our trade and commerce, which at this season of the year are so ably presented through the press by our financial writers, and will confine myself to a few general remarks.

The resources of Canada are being steadily and energetically developed. In fact, ever since the close of the war the development of our resources has been forging ahead more rapidly than we sometimes realize. It is true we have been passing through probably the most serious period of deflation and readjustment in our domestic trade that we have ever known, but at the same time underneath it all there has been a steady expansion in our basic industries, agriculture, mining, fishing, pulp and paper, Hydro power and other industries which contribute so much to our foreign trade. Evidence of all this is in the fact that we are to-day one of the leading nations in foreign trade, and last year reached a per capita production of $250 against $150 in the United Kingdom and $100 in the United States.

It is of great satisfaction to those who study the varying phases of Canadian development, to feel that we have safely passed through our recent difficulties and that the pathway to our continued prosperity is comparatively clear of serious obstacles.

Agricultural production, which for many years to come must be our main source of wealth, has reached very large figures. Good harvests have again contributed a well-deserved measure of prosperity to those engaged upon the land.

Mineral production in British Columbia, Manitoba, Northern Ontario and Quebec, with its accompanying development of electric power, smelting and refining processes, cannot be passed over without special mention.

Our country is rapidly coming to the fore as one of the most prominent mineral producing countries of the world. The addition to our annual income from this source is already very substantial and is rapidly increasing. It is to be hoped that this development will not be accompanied by undue and indiscriminate speculation in mining shares, signs of which are even now beginning to appear.

The production of pulp and paper has increased so rapidly in recent years that our annual output is now the largest of any country in the world, and with the operation of new plants now being installed we shall no doubt maintain our position. Unfortunately this immense production and export of news-print, which is such a factor in our favorable balance of trade each year, is diminishing the forest areas of our country more rapidly than they can be replaced through natural growth. Our forest wealth is not inexhaustible, and if we are to maintain this profitable branch of our export trade, a more extensive programme of re-forestration than has yet been undertaken is urgently necessary.

In any discussion of the industrial position of our country, our exceptional position in respect of Hydro electric development comes immediately to our minds. Rapid strides in this field of activity are being made. Over 4¼ million horse power is in use, and there remains 27½ million undeveloped power yet unharnessed. In total development Canada stands second among the nations, and the same in proportion to population. We may consider ourselves particularly fortunate in possessing this natural and inexhaustible heritage, which has much to do with our growth as a manufacturing country, and which promises to be an even greater aid to our industrial progress in the future.

The frequent reference to the importance of increasing population becomes almost monotonous but is justified by the fundamental need. Some progress appears, but the movement is still slow. We believe that an earnest effort is being put forth to develop a broader and more comprehensive policy towards immigration in order that our country may give an open door to all desirable people able and willing to work. Any effort to attract new population as well as to maintain what we have must, however, include most careful consideration of all public expenditures in order that taxation may be kept at the lowest level consistent with efficiency and a reasonable standard of comfort. We are an extravagant people in our national and municipal as well as in our personal affairs. We must have the best of everything, and at once. Our operating costs and overhead are high in consequence, and the result is seen in our tax bills. We can fairly claim to have a highly productive country. To the extent that we also show a moderate cost of living, we shall appeal both to new people and new capital.

As to the near future and speaking in a general way I at present see no obstacles to another satisfactory year, and look forward to further expansion in our own business and profits.

The Directors have to report, with sincere regret, the removal by death of two valued members of the Board:

Mr. Joseph Henderson, who after service in the Bank from the year 1869 in the capacity of Manager, Chief Inspector and Assistant General Manager, was appointed Vice-President in 1911, retaining this position until the time of his death, which occurred in March last. Mr. Henderson, through his sound judgment and ability as a Banker, contributed much towards the success of the Bank in his time.

Mr. John Macdonald, whose death occurred on the 15th December last, was elected a Director in 1905, and leaves behind him a record of splendid devotion to the affairs of the Bank, in which he always took the keenest interest.

Before moving the adoption of the Report, you will be glad, I know, to hear a few remarks from the General Manager, who will deal more particularly with the progress we have made during the past year.

GENERAL MANAGER'S ADDRESS

The improvement in general business, to which reference was made at our last meeting, has continued to gain momentum and is reflected in the figures now submitted for your consideration.

Circulation:

The average amount of our notes in the hands of the public shows a small but steady increase.

Deposits:

Deposits at interest show a satisfactory increase of over five and a half millions. Total deposits have gained 4.59% for the year, compared with a loss of 2.32% in the Canadian deposits of all the Banks.

Liquid Assets:

Cash, securities, call loans and other readily convertible assets stand at over $55,000,000, 53.29% of total liabilities to the public.

Securities:

Our investments in securities total over $27,000,000, approximately $3,000,000 less than last year. These investments continue to be of the highest grade and readily marketable.

Commercial Loans:

Other current loans and discounts in Canada at $55,000,000, show an increase of slightly over $8,000,000, or 17%. This increase contains nothing large, but is represented by well-secured advances of moderate size.

All our assets have undergone the usual careful scrutiny by our own officials and by our auditors, and are conservatively valued in our statements.

Bank Premises:

This account is practically unchanged and continues to be maintained at a very conservative figure considering the value of the assets under this heading.

Profit and Loss:

Profits again show a moderate gain, derived from our increased volume of business. After providing for all charges, including the usual depreciation on bank premises, and dividends, we have added $158,000, or slightly over 3% on our capital, to Surplus Account.

This prompts me to say something to you in regard to our dividend policy. We are still adhering to a disbursement of 3% quarterly, although our earnings in recent years would have permitted of something additional being paid. We believe, however, that in conserving profits and building up our reserves, the stronger and better policy has been followed. Large reserves give additional protection to our depositors and to yourselves, as well as directly and indirectly assisting our earnings.

In the meantime we have felt that 12% is a very fair dividend, and that in maintaining this rate and at the same time steadily improving the equity behind your shares, we should merit the approval of both shareholders and depositors. Anything which we are able to put back into the business belongs, of course, to the shareholders, and the full benefit will accrue to them in due time.

Turning now from our own immediate affairs to matters of more general interest:

We are pleased to be able to say that in our opinion the confidence which we have at different times expressed to you has been justified. No boom exists in any direction, but in a general way it can be said that the exceptional difficulties with which business has had to contend during the past few years have been surmounted and left behind. A healthy expansion is shown in almost every department of industry. Crops, on the whole, have been good; mineral production is justifying our hopes, and our foreign trade continues to increase. Our railway situation is steadily improving. The National System is emerging from the criticism of being a heavy liability to the point of becoming a valuable asset. Immigration, while still smaller than we could desire, shows an increase of 60% over the same period of 1925. Commercial failures were less, both in number and in amount of defaulted liabilities, than in any one of the previous five years. Some relief is being given in the scale of Federal taxation, and at the same time a reduction appears in the public debt.

I do not suggest that we have reached an ideal state of affairs and that we have no serious problems yet to work out both national and individual, but we are doing very well and may reasonably expect to do still better in the future, and if this is true of the country generally I am confident that it is equally true of this Bank and that we shall continue to merit and to enjoy a fair share of the growth and prosperity with which we are surrounded.

It is one of my most important duties at our Annual Meetings to commend the work of the Staff, and to acknowledge the loyalty, intelligence and enthusiasm with which they serve the Bank and its clients. Any success achieved is largely due to their efforts, and we cannot overstate our sense of appreciation.

ELECTION OF DIRECTORS

The following Directors were elected: Archibald H. Campbell, James D. Chaplin, William I. Gear, Albert E. Gooderham, William G. Gooderham, Thomas F. How, John R. Lamb, John I. McFarland, Frank S. Meighen, Frederick K. Morrow, Paul J. Myler, William Stone.

At a meeting of the new Board Mr. W. G. Gooderham was elected President and Mr. John R. Lamb, Vice-President.

THE BANK OF TORONTO

SEVENTY-FIRST ANNUAL GENERAL REPORT

PROFIT AND LOSS ACCOUNT

The Balance at credit of Profit and Loss, on 30th November, 1925, was		$ 322,079.94
The Net Profits for the year, after making full provision for all bad and doubtful debts and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of		1,108,692.17
		$1,430,772.11
This sum has been appropriated as follows:—		
Dividend No. 178, Three per cent	$ 150,000.00	
Dividend No. 179, Three per cent	150,000.00	
Dividend No. 180, Three per cent	150,000.00	
Dividend No. 181, Three per cent	150,000.00	
		$ 600,000.00
Tax on Circulation	$ 50,000.00	
Reserve for Accrued Taxes	100,000.00	
Transferred to Officers' Pension Fund	50,000.00	
Written off Bank Premises	150,000.00	
		350,000.00
Carried forward to next year		480,772.11
		$1,430,772.11

GENERAL STATEMENT

30th NOVEMBER, 1926

LIABILITIES

Notes of the Bank in Circulation		$ 8,295,608.00
Deposits bearing interest, including interest accrued to date of statement	$72,041,970.14	
Deposits not bearing interest	16,397,284.56	
		88,439,254.70
Advances under Finance Act		1,500,000.00
Balances due to other Banks in Canada (daily exchanges)	$ 566,088.88	
Balances due to Banks and Banking correspondents in the United Kingdom and Foreign Countries	1,345,189.32	
		1,911,278.20
Bills Payable		890,100.00
Quarterly Dividend, payable 1st December, 1926	$ 150,000.00	
Dividends Unpaid	1,415.00	
		151,415.00
Letters of Credit outstanding		1,800,260.38
Liabilities not included in the foregoing		286,167.59
		$103,274,083.87
Capital paid up	$ 5,000,000.00	
Rest	7,000,000.00	
Balance of Profit and Loss Account carried forward	480,772.11	
		12,480,772.11
		$115,754,855.98

ASSETS

Current Gold and Silver coin	$ 423,300.81	
Dominion Notes	6,227,540.00	
Deposit in the Central Gold Reserves	4,055,866.66	
Deposit with the Minister for the purposes of the Circulation Fund	256,775.57	
Notes of other Banks	603,845.00	
United States and other foreign currencies	84,956.88	
Cheques on other Banks	6,745,852.62	
Balances due by Banks and banking correspondents elsewhere than in Canada	2,163,069.17	
Dominion and Provincial Government Securities, not exceeding market value	19,599,837.11	
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian not exceeding market value	3,995,362.46	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	3,715,418.67	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	7,168,674.39	
		$ 55,040,499.34
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful Debts	$55,218,499.96	
Non Current Loans (estimated loss provided for)	154,371.24	
		55,372,871.20
Mortgages on Real Estate Sold		216,629.89
Liabilities of Customers under Letters of Credit, as per contra		1,800,260.38
Bank Premises, at not more than cost, less amounts written off		3,324,595.17
		$115,754,855.98

W. G. GOODERHAM, *President.* JOHN R. LAMB, *General Manager.*

TORONTO, *30th November*, 1926.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the branches, and certify that the above statement of liabilities and assets as at 30th November 1926 is in accordance therewith and in our opinion discloses the true condition of the Bank. The Bank's investments and the securities and cash on hand at the Head Office and at the Toronto and Montreal Branches were verified by us as at 30th November, 1926. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have in our opinion been within the powers of the Bank.

D. McK. McCLELLAND
of the firm of Price, Waterhouse & Co.

A. B. SHEPHERD
of the firm of Peat, Marwick, Mitchell & Co.

TORONTO, 20th December, 1926.

TOOKE BROTHERS' OFFER NOT SATISFACTORY, SAY SOME INVESTORS

(Continued from page 1)

April next, there seems no reason why these disbursements should not be resumed—whether the recapitalization plan be approved or not.

It is admitted that the preferred shareholders, if they accept the offer, will certainly own a larger proportion of its securities, but it is pointed out that the common shares, which are to be distributed in lieu of dividend arrears, are of value yet to be proven.

Earns Nothing On Common

The last quotation of the present common stock was $8 per share. In the last fiscal year, the company earned 7.17 per cent. on its preferred; in the four preceding years, it earned but an average of 2.7 per cent. on the preferred. Thus on its common stock during the past five years the company has earned a total of less than one fifth of one per cent.

From the foregoing it can be seen of what little real value are the common shares of the company. The new common stock should naturally be worth a little more than the old, for there will be no preferred dividends arrears ranking ahead of it. On the other hand there will be more shares outstanding, 7,525 shares as compared with 6,500 at present.

From this it would be safe to forecast an empirical valuation of around $10 for each share of new common stock. The preferred shareholders are being offered 4,925 shares of new common which will have a valuation of around $49,250, for this distribution they are asked to forego their claims to arrears amounting in all to $350,495! It seems obvious why some investors do not view the offer in a favorable light.

Book Value Position

But there is more to it than this. The preferred shares are preferred, not only as to dividends, but as to assets also. It is worthwhile ascertaining just how the preferred would fare in the event of a sale of the property to one of the other large companies engaged in the same line of business.

The last balance sheet shows total assets of $2,545,056. Deducting from this figure the goodwill account of $720,035 and the deferred assets of $53,416 there remains the sum of $1,771,605 applicable to liabilities and to the preferred shareholders. Bonds, depreciation reserve and all other liabilities ranking senior to the preferred shareholders' claims amount to $620,000. Thus the company's books show a total of $1,151,605 applicable to the preferred stock outstanding of $985,000 and dividend arrears of $350,495.

The Book Value Larger

After deducting the par value of the preferred shares from these assets, there remains a figure of $166,605 available for the settlement of dividend arrears—a figure materially in excess of the $49,250 which the preferred shareholders are being offered at the present time. Moreover, if the property were sold as a going concern it would probably realize more than the book value which has been worked out in the foregoing; thus there would be larger assets available for distribution to the preferred shareholders.

At the present time the preferred shareholders have a total book value behind their holdings of around $117 per share; they own stock in a company which is earning its preferred dividends of 7 per cent. and must eventually pay them, and they have over $35 coming to them in dividend arrears.

They are asked to forego these claims and in exchange are offered new stock which will increase but little the book value of their holdings; they are promised immediate payment of dividends and they are promised in new common stock the equivalent of around $5 per share in lieu of the $35 in arrears.

It seems obvious that there should be some who feel that such an adjustment is not in the best interest of the preferred shareholders of the company.

Some Points in Favor

Those who favor the proposed scheme of liquidating the preferred share arrears of Tooke Brothers, say that by the proposed plan the common shareholders will not fare nearly as well as the preferred, for the former will have only two-fifths of their original stock holdings. It is said also that the liquidation of the arrears will have a satisfactory psychological effect which should tend to increase the efficiency of the company and to increase the value of its shares on the market.

Then, too, those who favor the plan say that unless it be accepted by the preferred shareholders, the payment of dividend on the preferred stock will be held up further which would result in depreciating the present price of the shares on the market. Opponents of the plan simply reiterate the fact that if the company can afford to pay preferred dividends next April, it can afford to pay them whether the plan be put into effect or not.

The Harris Abattoir, (Saskatchewan), Ltd., has been incorporated. Its present capital is $100,000, and its headquarters are in Moose Jaw.

Dominion Life Wrote $23,000,000 New Business

Life insurance sales reported by the Dominion Life Assurance Company, of Waterloo, amounted to $23,206,000, an increase of 21 per cent. over the previous year. The marked development in business which this company has experienced during the past few years is clearly seen in the fact that production for 1926 exceeded the total applied for during the first twenty-one years of its history, from 1889 to 1910.

Among the company's larger branches, the greatest increases come from the home office agency, under P. H. Roos, and from the Ottawa agency, with P. A. Ferguson in charge, both with 75 per cent. increase to their credit. The Toronto branch, under H. R. Petersen's management, led in actual volume of business, with Halifax and Vancouver following. The last-named agency shows a 30 per cent. increase over the previous year.

Belding-Corticelli May Earn Less This Year

MONTREAL.—Until recently, reports reaching The Financial Post indicated that the annual report of Belding-Corticelli for the year ending November 30 would show earnings at much the same level as in 1925, when the company earned 27.98 per cent. on the common stock.

More recent information indicates, however, that when the report makes its appearance, the net earnings will show some decline, due to the severity of competition which has been experienced during the year.

"We have entered upon a year with satisfactory prospects before us"

The President of the Canadian Bank of Commerce Expresses His Views of 1927 in His Address at the Annual Meeting of Shareholders

Indications Are That 1927 Will Prove to be as Good a Year, Perhaps Even Better Than 1926.

The General Manager Discusses the Statement for the Year Ending November 30th Last, and Refers to the Bank as a Powerful Factor in the Development of Canada's Growing Foreign Trade.

The Bank's Earnings Greater Than in Any Year Since 1918

The Annual Meeting of the shareholders of The Canadian Bank of Commerce was held at the Head Office of the Bank in the City of Toronto, January 11. The results of the year's business as shown by the Report submitted by the Directors were as follows:—

Balance at credit of Profit and Loss Account, brought forward from last year	$1,234,574.23
Net profits for the year ending 30th November, after providing for all bad and doubtful debts	3,636,983.57
	$4,871,557.80
Appropriated as follows:	
Dividends at twelve per cent. per annum	$2,400,000.00
Bonus of one per cent., payable 1st December	200,000.00
Dominion and Provincial Government taxes	500,000.00
Donations and Subscriptions	40,000.00
Transferred to Pension Fund	200,658.53
Written off Bank Premises	250,000.00
Balance carried forward	1,280,899.27
	$4,871,557.80

After the reading of the Report, the President, Sir John Aird, and the General Manager, Mr. S. H. Logan, addressed the meeting.

The General Manager Reviews Bank's Strong Position

It is a pleasure to report that the Bank has had a very satisfactory year. Profits have been greater than in any year since 1918, and losses have been noticeably less. For a number of years the banks have experienced a decrease in profits and an increase in taxes, and this condition of affairs, coupled with the small ratio of profit incidental to the banking business, has called for extreme economy on their part. It is gratifying, however, to feel that the country is now enjoying better times and we sincerely trust that we have entered a cycle of prosperity which may last for some years.

Profits up $150,000

As indicated in the Profit and Loss Statement, the net profits were $3,636,000, an increase of $150,000 for the year. After paying the usual dividend and bonus to the shareholders, $540,000 in taxes and subscriptions, and contributing $200,000 to the Officers' Pension Fund, we wrote $250,000 off Bank Premises, and carried forward at the credit of Profit and Loss Account the sum of $1,280,000.

Turning to the Balance Sheet, our non-interest-bearing deposits, at present at about their normal level, are down about $22,000,000 for the year, but this is entirely due to special deposits of a temporary nature which were on our books over the last year-end, to the greater demand for funds from commercial business and to the unusually late harvest season. On the other hand, interest-bearing deposits now stand at $303,000,000, showing an increase for the year of over $5,000,000.

There is no material change in our holdings of gold, silver and Dominion notes. These, added to cheques and cash with bankers, amount to $81,000,000, or about 17 per cent. of our total liabilities to the public, while securities amounting to $78,000,000 show a decrease for the year of $19,000,000. As the demand for commercial loans grows, a bank naturally decreases its holdings of securities. Our call loans stand at $78,000,000, an increase of $14,000,000 for the year, and our total liquid resources are over $238,000,000, or slightly more than 50 per cent. of our liabilities to the public.

Commercial Loans Increase

The feature of greatest interest on the assets side of the statement is the increase in commercial loans of over $9,000,000. This item is an important indication of the increased activity in business throughout the country, and we are happy to say that not only have we been able to take care of all legitimate calls to date, but are in a strong position to look after the anticipated future requirements of domestic and foreign trade.

A Powerful Factor — The Bank Closely Associated With the Growth of Foreign Trade

It is a source of great gratification that this country plays such an important part in foreign trade, and we feel that this Bank has been a powerful factor in this development during the past few years. I, personally, have visited many of the foreign countries in which our raw materials and finished merchandise are marketed, and the Bank has distributed in the leading trading centres all over the world a list of about 1,000 Canadian firms with whom orders for Canadian goods may be placed. Information is given as to the commodities in which they deal and the names included are not confined to the customers of this Bank, but comprise all important merchants and traders throughout the country, our object being to promote Canadian trade. We realize that what helps Canada in this respect must naturally mean increased prosperity to the Bank. Our efforts in this connection have resulted in bringing millions of dollars worth of orders to Canadian firms, so that while the compilation of the list involved a great amount of work, we consider that the undertaking has been fully justified. The list has recently been revised and reprinted.

Sixtieth Anniversary

It is of interest to note that this is the sixtieth annual meeting of the Bank and that the Dominion of Canada also celebrates the sixtieth anniversary of Confederation this year. Naturally, the fortunes of this Bank are bound up with those of the Dominion of Canada, and as it prospers we shall prosper.

As is customary every year, all the assets of the Bank have been revalued and provision has been made for any losses that may reasonably be anticipated. All departments of the Bank are functioning satisfactorily with a strong desire on the part of the staff to give to the public the best possible banking service.

We are discontinuing our Year Book, as we felt there was so much statistical information now readily available, that our special publication might be dispensed with. You will find, however, along with the Bank's statement, a review of business conditions in those countries where the Bank is represented, and we hope that you many find this of interest.

Our Development

Our remarkable developments in pulp and paper manufacturing, mining, electrical energy, etc., are attracting the attention of many capitalists to this country. With our important natural resources, two great transcontinental railway systems and plenty of land for settlers, one cannot but be enthusiastic about the future of this great Dominion. What we need, of course, is a larger population to produce and to consume and to help carry the overhead. The larger our population the more attractive it becomes to establish branch factories in this country, and these, naturally, increase our industrial activity. The more we produce from the land, the more we have to sell both at home and abroad. The prospect of great development in mining at the moment is most hopeful, and any increase in production from our metalliferous mines means increased wealth to Canada. If we encourage and promote immigration along well-considered lines and endeavor individually to create for the immigrant a congenial and friendly atmosphere, we shall greatly assist in the upbuilding of the Canadian nation.

We have now safely passed through the post-war depression, and a decidedly better feeling exists throughout the Dominion. Our information indicates that, with certain exceptions, an important improvement in business has taken place during the past year. The general situation is undoubtedly sound, and the outlook for the future is bright. If the coming season proves a favorable one for agriculture, we may look with confidence for a continuance of these satisfactory conditions.

The President's Address

The General Manager has dealt with the figures of the Bank's statement, and I am sure you will feel that his comments require no further explanation from me. I propose, therefore, to ask your indulgence for a short time while I review briefly the salient events of the past year, even though it may well be that much of what I have to say covers ground that is familiar to many of you.

At home the year 1926 was, for the most part, a year of quiet, general progress and satisfactory business, unmarked by any traces of boom or crisis. Towards its close, an unfavorable harvesting season temporarily dimmed the hopes of the farmers, and certain unfavorable tendencies manifested themselves in our foreign trade. But it has undoubtedly been the most satisfactory year for business since the setback of 1921.

Return to Gold Basis

In the financial world of Canada the outstanding event has been the return of this country to the gold basis on July 1st. As this was effected by allowing certain existing legislation to lapse, and proved to be merely the legal recognition of existing fact, it passed almost without notice, even from the newspapers, and it is probable that many Canadians are even now unconscious of the change. This does not argue, however, that the change was one of no importance, for it limits the fluctuations of the foreign gold exchanges with this country, and thus places foreign trade on a more secure basis. Politically, in Ontario, we have passed through two campaigns, one in the Provincial and the other in the Federal field, and in each case the existing government has been returned with a strong Parliamentary majority, which should enable those entrusted with power to devote their full energies to the important tasks before them, without that consciousness of insecurity of tenure which exerts such a paralysing effect on the practical usefulness of a government.

Handling of Grain

The prevalence of stormy weather during the harvesting season last autumn has been the cause of a good deal of anxiety as to the loss which might be incurred through the spoiling of damp grain during the winter. The various bodies engaged in the grain trade have interested themselves in the matter, and as a result of their investigations it is believed that adequate facilities exist to care for such grain and that the situation can be handled satisfactorily. The terminal elevators are equipped to dry this grain as received, and the railways will co-operate in ensuring that it is shipped to terminal points without delay. At a meeting held some time ago by the Board of Grain Commissioners, arrangements were perfected to give prompt attention to any cases reported to that body of any considerable quantity of grain held where proper care could not be given.

Fight Against The Elements

The ingathering of this year's harvest, in spite of untoward weather conditions, is a tribute to the resourcefulness of the Canadian farmer and his ability to cope with an emergency. Working day and night, whenever the weather permitted, threshing and ploughing in some cases by electric light or the light of the moon, the farmers won in a fight against time and weather. Similar qualities were displayed when the lake fleet was halted by ice on St. Mary's River, between Lakes Superior and Huron, during the spell of unusually cold weather that marked the first week of last December. It was a fight against the elements in which man eventually won. We need not fear for the future of Canada so long as her people are accustomed to apply such qualities to the solution of her problems.

Large Increase in Railway Earnings, Aided by Improvement in General Business

The greatly improved showing which was made by the Canadian Pacific and the Canadian National Railways in 1926, undoubtedly aided by the definite improvement in general business in Canada, is a matter for congratulation. The gross earnings of the latter for eleven months of 1926 amounted to $242,854,000 and the working expenses to $201,403,000, leaving an operating surplus of $41,451,000. The change from an operating deficit of $34,532,000 in 1920, having been accomplished during a period of depression in general business, is a truly remarkable showing. Yet, however satisfactory, the increase in gross and net earnings may be, the important consideration in my mind in the management of all large concerns is the ability to hold down the cost of operation. This must, of course, not be done at the expense of efficiency, because in this way the whole object of our effort would be defeated. On this score also the management has cause to be pleased with the showing made. It is admitted on all sides that the efficiency of the railway and its management has increased, and at the same time it is reported that the operating ratio for the 11 months ending November, 1926, stands at 82.93 per cent. as against 97.23 per cent. for the corresponding period of the previous year.

Mining Development

An interesting sidelight on the railway picture is the outlook for the development of the mining industry along the lines of the Canadian National and the Canadian Pacific railways east from Winnipeg, and the National Transcontinental line to Quebec. Gold, silver, nickel, iron, copper and zinc are all found here, and all these metals are in great demand at the present time. The mining development in the Rouyn field, and the waterpower and industrial development in the basin of the Saguenay, are most impressive. It requires little imagination to see heavy trains carrying coal and coke from the Maritime Provinces westward to the mines, and others carrying the ores and other products of the mines eastward to tidewater, over the National Transcontinental line, and on the agricultural lands of the northern clay belt in the vicinity of that line, the settlers prospering in the enjoyment of the home market for their products provided by these mines and mills.

Immigration Figures

It is to be hoped that a revival in immigration is about to take place. As yet the actual figures are not very impressive, the total number of immigrants entering Canada during the first eleven months of 1926 being 130,567, but this represents an increase of 61 per cent. over the corresponding figures of last year. One satisfactory aspect of the situation is the number of plans which have been made not only to train selected immigrants, particularly young men with a good education, but also to take an interest in their welfare until they have successfully established themselves. While these plans are as yet being operated on a small scale, their effectiveness, if properly conducted, is very great, and the men thus trained for agricultural pursuits at the outset of their careers in this country are likely to prove the best of immigration agents.

Interest in Mining

A party of your directors with a number of friends of the Bank visited Cobalt, Kirkland Lake, Porcupine, Sudbury, Abitibi, Kapuskasing and other centres of Northern Ontario last autumn, and were very much impressed by the production of wealth and of electric energy revealed to them. Wonderful development has taken place in these northern regions in recent years, and the results, now evident to all, are leading to a widespread interest in mining and in the manufacture of pulp and paper, so that the natural wealth of this northern country is being prospected as never before.

Affairs Abroad

Abroad, the events of the year which have most nearly concerned Canada have been the general strike and the coal strike in Great Britain. The general strike, which took place in May last, was speedily brought to a close in a way which excited the admiration of the world and enhanced the prestige of Great Britain abroad. The coal strike, on the other hand, was so prolonged and has been settled so recently, that it is difficult to reach a final conclusion as to the extent to which it has sapped the vitality of British trade. I shall refer to it again when dealing with affairs in Great Britain. At this point I shall mention only the effect upon the trade of Canada, which is met with in many directions—in depriving us of our usual export markets, in absorbing for the purpose of carrying coal to England the tonnage usually available for exporting our grain crops, lumber, and other products, and in countless other ways.

Favorable Foreign Conditions

It would be unfair to infer, however, that the general trend of events abroad has been unfavorable during the year. On the contrary, the reverse is the truth. Belgium returned to the gold standard, by creating a new unit, the Belga, equal to five paper francs, for use in foreign exchange. Denmark resumed gold payments on the first of this month, and Japan and Norway will probably take the same step shortly. Germany has continued to meet her obligations under the Dawes Report, and was elected a member of the League of Nations and was assigned a permanent seat on the Council of the League in September last. France has succeeded in steadying the value of the franc for the moment, and even in causing it to appreciate from the low point of 1.96 cents reached in New York in July last, but the permanency of the gain is still a moot point, and much remains to be done before her task can be said to have been accomplished.

Our Foreign Trade

The foreign trade of Canada showed very remarkable growth during the fiscal year ending in March, 1926. Imports and exports combined reached $2,255,764,000, figures which have been surpassed in the history of this country only during the period of feverish activity which marked the close of the Great World War. Indeed the total value of exports in the fiscal year 1925-6 has been exceeded in only one previous year, 1917-8. The surplus of exports over imports last year was $400,958,000, to which the largest contribution was that made by the wheat crop of 1925. There are evidences, however, that a change is in progress in this respect. Imports tend to expand more rapidly than exports, and during the first half of the current fiscal year—the six months ending last September—the surplus of exports was only sixty million dollars, less than half that shown during the corresponding months of the previous year.

Agricultural Products the Basic Factor on Which Canada's Trade Rests

As yet the trade of Canada rests largely upon an agricultural basis — that is, the predominant factor in determining its volume and value is, as a rule, the agricultural production of the year, and particularly the grain harvest, and this seems even more true of the external trade than of the internal. For this reason, in a review of this character, there is an advantage in splitting the fiscal years in two and studying the figures of the twelve months ending September, which reveal perhaps the most complete picture of the results of each individual harvest that is obtainable. Taking these figures for September, 1926, we see at once the great part played by the wheat crop of 1925 in the prosperity of the past year. Exports of wheat during the twelve months ending September, 1926, were valued at 384 millions, or 136 millions more than in the previous year, bearing out my prediction of a year ago. In my last address to you I said, "the outlook is that the farmers of the West will realize about $125,000,000 more for their wheat than was expected early in October, and this sudden and dramatic change should have a far-reaching effect on business during the current year." In dairy products we did not do as well; exports of butter and cheese showed a decrease of 12 millions, and imports of butter an increase of 3 millions. This is accounted for principally by prices at home, particularly for butter, being above an export basis. During the early part of last season a considerable amount of Australian butter was brought to Canada under the new trade arrangement negotiated between the two governments. Exports of bacon and hams have been affected by reduced buying power in Great Britain consequent upon the coal strike, and showed a decrease of $2,937,000.

Gold Production

Exports of gold in the form of bullion and ore showed a decrease of $19,681,000, but this is due to the improved value of the Canadian dollar, which has had the effect of diverting the produce of our mines to the mint at Ottawa. For the calendar year 1926 the estimated production of gold in Canada shows a slight decrease, being valued at $35,749,000 as against $35,880,000 the previous year, but the total mineral production has been well sustained, amounting to $242,886,000, as against $226,583,000 in 1925. Exports of farm implements for the twelve months ending September increased $6,363,000, while at the same time imports of such articles increased $6,605,000. So, too, exports of motor cars and parts increased $6,903,000, while imports increased $18,977,000. These changes are due to recent alterations in the tariff, and it is interesting to note the extent to which our manufacturers were able to find markets abroad for that part of their product displaced by United States goods. The result of the increased activity in mining in this country is shown in the increases which have taken place in exports of copper, lead, nickel, silver and zinc.

Exports of Newsprint and Pulp

Exports of newsprint were valued at $110,425,000, an increase of $15,724,000, pointing to the extensive scale on which new mills have been established in this country. It is to be hoped that the warnings which have been given by experts as to the danger of an exhaustion of our timber supplies will not go entirely unheeded, and that the wonderful development of this industry which has taken place in recent years will not prove to be another form of soil-mining, as senseless as the exhaustion of the fertile lands of the west by the continuous growing of wheat. The restrictions placed on the export of pulpwood by some of the provinces are bearing fruit in a decrease of exports of that article, accompanied by a corresponding increase in exports of pulp manufactured in Canada. An increase in imports of crude rubber amounting to $12,551,000, is reflected in an increase in exports of rubber boots and shoes and of rubber tires, amounting to $9,208,000.

An Increase in Imports

I have already referred to some of the changes in imports which are complementary to changes in exports. In a general way a large part of the increased imports partake of the character of raw materials for Canadian industry. The sudden increase, however, of 100 million dollars in Canadian imports from the United States, offset only to the extent of 19 million dollars by an increase in exports to that country, is somewhat disturbing. Particularly is this the case when we find increased imports of such items as the following: electric apparatus, $2,427,000; rolling mill products, $11,226,000; tubes, pipe and fittings, $1,000,000; engines and boilers, $2,604,000; lumber and timber, $2,261,000; in addition to the heavy increases in motor cars and farm implements already mentioned. Our growing independence in the matter of coal supplies is shown by a decrease of $14,125,000 in imports of anthracite coal, though this is offset to some extent by increases in imports of coke $2,944,000, bituminous coal $2,326,000, which may be attributed to increased activity in manufacturing, and petroleum, crude and refined, $10,398,000.

Conditions in U. S.

The prosperity of the United States continues unabated, in spite of a fall in the price of farm products and of some evidence of slackening in building and in the manufacture of automobiles. These adverse developments are offset by greater activity in the textile, sugar and rubber industries. The profits of corporations last year in most of the principal industries exceeded all previous records, and the activity in the stock markets has been enormous. The harvest proved to be above the average in most crops, and the returns, except for spring wheat and cotton, are likely to be about equal to those of the previous year. Cotton growers are suffering from over-production and consequent low prices, having harvested the largest crop —over 18 million bales — ever known. Indexes of the volume of business, such as car loadings, bank clearings, motor car production and sales of mail order houses and chain stores, show a large increase in the amount of business done, as compared with the previous year. Building permits have declined, but the drop is principally in the building of houses. The volume of external trade has increased, but there is a decrease in exports and an increase in imports, which is natural in the case of the leading creditor nation of the world. Gold imports exceeded exports by $79,000,000 during the first ten months of last year, notwithstanding the very large amount of foreign bond issues placed in the markets of the United States during the year. The financial situation is an easy one, and the drastic reductions in taxation made by the federal government strengthen the foundations upon which the large volume of business is transacted.

Cuba, West Indies and Mexico

Our branches in Cuba and the West Indies report that the year was not generally a satisfactory one for the sugar producers, who harvested a large crop, but were compelled to dispose of it below cost. The seriousness of the situation to Cuba is shown by a comparison of the values of the 1923 and 1925 sugar crops of the island. That of 1923 was valued at $423,000,000, and that of 1925, though over 5,000,000 tons, was worth only $294,000,000. The Government has stepped in, and production is now restricted by law, but the full effects of this were not felt during the past season. Great damage was also done to sugar cane and mills by the disastrous cyclone of last October, so that the outlook for the coming crop is uncertain. Some efforts are being made to diversify Cuban crops and to grow at least domestic requirements of such articles as coffee and potatoes, large quantities of which are now imported, but might well be grown at home. The foreign trade of Cuba showed an excess of imports over exports last year for the first time in several years, owing to the decreased value of the sugar crop. The national debt of the island is decreasing steadily, almost one-third having been paid off since 1921.

In Mexico the year commenced with some improvement in general business, but during the summer this ceased, and the volume of business for the year is not likely to show any increase. The Government is well established and its financial position appears to be satisfactory, but the tendency to enact restrictive legislation is a restraining influence on the prosperity of the country.

Brazil

The year was marked by a severe commercial crisis in Brazil; an unusual number of failures have occurred, including some large and old-established houses. The Government's policy of deflating the currency was steadily adhered to. Over 14 per cent. of the note issues of the Federal Government and of the Bank of Brazil has been withdrawn in the past two years; and coming on the heels of the over-trading and commercial expansion of previous years, the result was a sharp fall in internal prices and stagnation in many lines of business. In December the Government announced a plan for the stabilization of the milreis at a figure slightly under 6 pence, which is materially lower than the average rate for the year. This plan has not yet been fully brought into effect.

How Great Britain is Meeting Her Many Problems

In Great Britain the most noteworthy events of the year have been the unsuccessful general strike in May last and the long drawn out coal strike. The effects of the latter will be seen for many years to come in private balance sheets and in the increased burdens on the National Exchequer and local rates in industrial districts. The economic cause of it is disclosed by the statement that in 1924 the production of coal per man was 220 tons a year against 260 tons in 1913, although in the interval mechanical aids to mining have been greatly improved.

During the early months of 1926 the outlook for the trade of Great Britain was good, and the industrial position was undoubtedly stronger than in 1925, but as a consequence of the coal strike and the disorganization caused by it in the industrial life of the nation, the trade returns for the first ten months of 1926 show a decrease of £120,000,000 sterling in exports, and an increase of £62,000,000 in the adverse balance of trade. As the year closes there are some prospects of better things in the improved political and financial conditions of most European countries. The number of unemployed in Great Britain and Northern Ireland on 22nd November, however, was 1,514,000 a slight decrease from the high point of June last, but comparing unfavorably with less than a million in April last. This does not include those out of work in connection with the coal strike. In some industries, such as shipping and shipbuilding, and the woollen trade, an improvement is already noticeable.

The finances of the Imperial Government for the fiscal year ending March last would have shown a small surplus but for the coal subsidy. The National Debt was reduced by about £30,000,000 during the fiscal year. The Bank of England rate has remained steady at 5 per cent. throughout the year. Early in August large arrivals of gold roused hopes of a lower rate, but the increase in the rate of the Federal Reserve Bank, New York, on 12th August, and the usual autumn demands, again stiffened the market. The gold holdings of Great Britain increased during the year. It is interesting to remark that the net loss of gold since the re-establishment of the gold standard in April, 1925, is between three and four million pounds.

Study Methods of Taxation—Canada Must Meet Competition of Countries More Lightly Taxed

In the past frequent reference has been made at these meetings, both by my predecessor and myself, to the handicap placed on this country by the weight and character of the taxation under which it has labored, and to the need for thorough consideration of the methods and incidence of taxation, if Canada is to meet the competition of other countries more lightly taxed. At the two previous meetings I have specially drawn attention to the bearing of the successive reductions in income tax made by the United States on the problem of retaining Canadian citizens at home. I now wish to mention with approval the steps already taken by the Dominion Government to lighten the burden of the income tax, and the promises it has made to deal with those other taxes so aptly termed "nuisance taxes." It is interesting to note that both the successful political parties in the recent election campaigns appealed to the public on the ground of reductions in taxation. Not only is this a sound political move, but I believe that if the pledges given are carried out honestly and wisely they will prove to be in the best interests of the country and full of promise for its future. As a recent writer in the London "Bankers' Magazine" puts it: "One pound will not pay two sets of wages, and if a pound is taken from the taxpayer or ratepayer to provide a wage for superfluous state employees, it ceases to be available to pay the wages of a workman engaged in constructive industry." This puts the case in a nutshell; it is the tendency towards multiplying the activities of the State under modern democracy that nullifies the work of constructive industry in increasing production and lowering the costs of living.

A Word of Appreciation

On behalf of the Board of Directors I desire to express their appreciation of the ability of our new General Manager and the executive officers at the Head Office. In a very large measure the results of the past year are due to the excellent work of these officers, to the Managers of the branches at home and abroad and to the staff generally. While the business situation, as has already been stated, improved appreciably during the past year, yet many difficult problems were encountered during its course, and in the face of these it is a satisfaction to us to know that the General Manager and his staff have been able to develop and protect the business of the Bank and the interests of its shareholders to a marked degree.

The Business Outlook

We have entered upon another year with satisfactory prospects before us. The general volume of internal trade is good, even if all lines are not equally busy. Our external trade is maintaining its volume, although exports are lower. On examination it will be found that this may be largely accounted for in two ways. The market for our produce in Great Britain has fallen off because of the coal strike, and the production of our gold mines is no longer exported to the United States. The first of these causes should gradually cease to operate now that the coal strike is ended; and the second is due to the disappearance of the premium on United States funds, with the result that the gold which comes from our mines is refined at the Ottawa Mint, and is used subsequently chiefly to strengthen the gold reserves of our banks. The volume of employment is good. Bank debits and railway car loadings are showing increases. I see no reason why 1927 should not prove to be as good a year, and perhaps even a better one, than 1926.

Great Field of Service for Canada Lies Before Dominion Trade Board

(Continued from page 10)

dividual development. If this were not so, gone would be the stimulus of capital and the urge of competition and Canada would lack the contribution quota each separate interest is so perceptibly supplying to our onward move as a nation. But being primarily individualistic in character these interests may or may not be also national in their approach to economic questions of their own or other spheres.

Advancement of Canadianism

There is no guarantee that with the present Canadian status quo the business brain, which so successfully has built up the one individual interest, is giving of this same vitality to the advancement of Canadianism. Oftentimes this contribution is evident but there is no assurance that it will be made. One manufacturer may have become the uncrowned king of, for example, the Canadian hardware world, but is he national in his outlook and also a councillor at the court of agriculture? A city may have increased its population fourfold in a quarter of a century, but is it sharing the secret of its own particular success with other cities and co-operating with the rural districts in the building up of a larger Canada. The axiomatic fact still obtains that the whole is greater than the part, and I submit that herein lies one cogent reason why there should be a Canadian Board of Trade.

Because Canada is more than a bushel of wheat, or the grain industry itself, because Canada is more than a transaction of the bourse, or the combined activities of all of our very able financial institutions, and because Canada is more even than a thousand factories, so it is reasonable to premise that individual business interests while preserving their identity and fostering their own development should likewise get the larger view and the true Canadian prospective not losing sight of the symmetry of the forest because of the abundance of or the prominence of the individual trees.

Need This Dominion Board

To think and to act nationally, therefore, we need in Canada, and now have a Dominion Board of Trade built upon the solid rock of individual boards of trade and chambers of commerce all across Canada and destined to become buttressed by the loyal support of the large and small business organizations throughout the Dominion.

Given this one desirability, may I suggest another to which reference is also made in our constitution, namely, the obtaining of a national finding on national business questions. Again and again to every federal government comes the moment to decide on the policy in connection with some national issue touching our everyday business life. How extremely utilitarian it would be were the government to know what was in the business mind of men of Canada concerning the particular question being discussed or the bill being drafted.

Speak Mind of Business

Introduce into parliament almost any important piece of business legislation and what happens. At once start the individual representations, lobbying, special pleading either for or against the measure. One locality will look upon the national question from its own point of view and voice a local one-sided conclusion. An industry or trade or association is likely to survey a Dominion wide issue from its own vantage ground and then deliver judgment which by the very nature of things must be incomplete, however sincere and honest the representation may have been. Unconsciously, at least, and only naturally self-interest is magnified and an inadequate view explained.

The national voice of the business men of Canada from coast to coast has so far been inarticulate. Is it any wonder that the government of the day is apt to eye with suspicion the advice offered.

What has been lacking in Canada up to the present in any approach to the federal government on economic legislation is the counsel from the hard and dearly bought experience of business men throughout Canada. What is desirable that the government should possess, however, is the unselfish advice and the matured thinking and the national viewpoint of the business communities of Canada on business problems.

Clearing House of Business Views

Hence a second reason for the creation of the Canadian Board of Trade, and a second function it will perform. The Canadian Board of Trade should and I believe, will become the repository, the exponent and the clearing house of business opinion in Canada. It is destined to become the spokesman of business to the federal government and also to the public on many national questions, such as immigration, federal assessments, the development of our natural resources, and of our basic and processing industries, economy and efficiency in administration, industrial and scientific research, commercial aviation, imperial and foreign trade expansion, pan-American economic relations, forestry protection and conservation, the negotiation of trade treaties, inland water-way projects, co-operative marketing, advertising Canada abroad, radio operation, steamship communications, and our economic responsibility as a co-partner among the free states of the empire.

Government in Accord

Will this functioning and the realization of this objective be appreciated by the government of Canada? The honorable, the Minister of Trade and Commerce said, "Yes," at Saint John. Other ministers whom I have seen have also intimated their hearty acceptance of this idea. I believe, therefore, that the government welcomes our advent. Provided that the Canadian Board of Trade in its pronouncements represents the interest of the people as a whole rather than the interests of the most favored groups; provided the Canadian Board of Trade expresses a concensus of opinion which proceeds from no particular quarter and originates with no particular interest, and provided our national idealism, patriotism and common sense prevails, we shall be no negligible factor in the adding of yet more cubits to our national stature.

National Leaders Endorse

President Coolidge, in addressing himself recently to the United States Chamber of Commerce said:

"Men come and go but the community abides, and the greatest vitalizing force in any community in a free democratic country to-day is the intelligently organized public opinion generated by its Chambers of Commerce."

The Earl of Oxford and Asquith when Prime Minister, said:

"We recognize in the Association of British Chambers of Commerce the most authoritative and trustworthy exponent of the Commercial interests of the United Kingdom."

In Italy, where I have lived for eight years, the Federated Chambers of Commerce is clearly the mouthpiece of the business men of that country, and even Mussolini with his almost unlimited power feels bound to consult this organization. I claim, that here in Canada there is also ample scope for our national organization, honeycombing our economic life, nursing mutual understanding and educating and synthesizing the public opinion of the smallest and of the larger communities. If we realize this desideratum and no other we men of our day and generation will be worthy of remembrance.

Services to Members

Now an organization such as the Canadian Board of Trade quite properly and quite necessarily has another function to fulfill, namely, the rendering of direct service to its active members. What service in general can our Canadian Board of Trade perform? There are many directions in which this service will develop, but I will refer to just a few of them.

In the first place and hinging directly on what I have just said is an educational service. If public opinion is to be intelligently formed so that it will think logically and influence rightly any policy, it must come to know the facts. The business communities should know the truth and presumably the truth will give them freedom for proper action. In any referendum presented to the boards of trade for their consideration or in the preparation of any resolutions at our annual convention the arguments for and against should first of all be clearly set forth. Reason and national interest should take the place of prejudice and sectional feeling. The Canadian Board of Trade can have an enlightening and educational value of first importance.

Make National Surveys

Or again, the executive of the Canadian Board of Trade and the secretariat can collate and prepare from the existing sources of information the pertinent facts bearing on any given national question whose study and survey is undertaken and this data should be disseminated throughout Canada to our active members. It will of course be desirable to call an expert opinion in briefing any technical question. For example, if a banking question were under consideration the Bankers' Association or the banks themselves should be consulted, and so on all along the line. I do not profess to know, for instance, the intricacies of finance, the technique of agriculture or the varied applications of scientific research, but there are organizations and experts who do know and it is upon these that we must call and—I trust as associate members—to put their knowledge at the disposal of this national organization. This bringing of expert finding and collated economic data to the individual boards of trade and conversely from these and other organizations to our national body will have undoubtedly a quickening and sustaining influence in the working out of Dominion-wide policies.

Create New Chambers

In addition to the educational service the Canadian Board of Trade in the second place should be of assistance in rousing the dormant boards of trade throughout the country and in creating new chambers of commerce.

Some of our communities have boards of trade which are not dead, but asleep, and which need to be brought out of their state of coma. The Dominion Board of Trade can put new ichor into their veins and cause their life blood to flow again with exhilarating activity. The transfusion of the empirical knowledge of successful boards of trade to their weaker counterparts will tone up the lethargic institutions. New chambers of commerce should also spring up in the smaller places of our hinterland life but there must be the fashioning and the guiding of the development and surely here the Dominion organization can come into useful service.

In the third place I should like to refer to the service of rapprochment whose influence should result in an entente cordiale throughout Canada. The east is east and the west is west and never the twain shall meet. This is not to be written of Canada. The old order is changing, yielding place to a new in this Dominion, and Canada is rallying around the ideal of a great cause, the fight to save ourselves from a sectional servitude and a racial pride. Forgetting those things which are behind and reaching forward unto those things which are before, we are pressing on with this new organization toward a Canada united in fact as well as in name. In this respect our National Board of Trade can also serve.

Bring Farm and Factory Together

And then there is the approximating of the views of agriculture and industry. The reconciliation may be now far distant but in the effort to attain unto better relations between these two primary factors in our economic life, we as a national organization have a just service to perform.

And also a still closer coming together of capital and labor is desirable. Fortunately we have not had the labor experience of trans-atlantic countries, but let us not on that account be unmindful of our greater opportunities for service.

And a fourth service which I want to see performed by our national organization and perhaps the one of most practical utility is the development of internal trade and domestic distribution. Not that I wish to exclude the development of our foreign commerce from our activities. My life's work so far has been in its promotion and I am firmly convinced that we can be of very great service in stimulating along sound lines our trade overseas. We shall work inter alia with the British Chambers of Commerce throughout the Empire and the world; with H.B.M. trade commissioners and the foreign consuls in Canada; with Canadian and British banks; with the International Chamber of Commerce and with Canada's own foreign trade service stationed at twenty-four strategic centres of the world. Our organization has already gone on record as favoring formation of a foreign trade council in Canada and hence there is no doubt that we shall be rendering service in the building up of our foreign trade.

Link Supply and Demand

But one of the biggest openings our organization has, I believe, is the fostering of inter-provincial, inter-urban, inter-rural and internal trade by the linking up of the sources of supply and demand in Canada. A national service of this nature is wanting in this country. Nor do I believe that it is essential that the government should here intervene. The stream of internal business flows best oftentimes without too much government patronage. Just as in the foreign trade fields we divide the world into commercial areas for exploitation, so here in Canada our National Board of Trade will delimit the nine provinces as our trading areas and undertake the giving of efficient and practical service to the units making up our distributing system. We shall establish points of contact between Canadian buyers, sellers and middle-men Charlottetown to Victoria, thereby developing our own productive, distributive. financial and transportation systems.

Nor shall we lose sight of the guiding of our imports into proper and economic channels.

Other services such as the obtaining of new capital and the securing of new industries for Canada and the encouraging of tourist traffic throughout the Dominion will readily occur to you.

Big Program Ahead

We have before us a big program. We shall not accomplish all at once. but we shall begin building up our organization in this year of our Diamond Jubilee with the same faith as had the Fathers of Confederation sixty years ago. We, the heirs of all the ages in the foremost files of time. with the blood of these Fathers of Confederation coursing through our veins will not be unworthy of this new national ideal nor laggard in the fulfillment of their own uncompleted task. All progress is gradual and true development is everywhere slow, and our program will not be realized in a year or in two. The metallic carbon does not change to a crystalline diamond in a moment, and our great ideal can become an accomplishment only in a span of years. Through Canada we must go however, like the Highlander in Scot's Lady of the Lake, with our fiery cross of faith and purpose, calling upon the hamlets, the towns, the cities and the trade and business organizations of this Dominion to respond to the national summons, and to muster at our common rendezvous, this National Board of Trade, for it is the voice of our fathers, the sacrifice of our heroes, and the beckoning of our offspring which calls.

"A Mari Usque ad Mare"

And as I dip into the future far as human eye can see, I do not behold the initial quarters of our Canadian Board of Trade, but I have a vision of a resplendent palace of trade and commerce ensconing this national organization built by the business men of Canada, supported by the twin pillars of unity and service, and having sculptured over its portals the Canadian coat of arms, on which is emblazoned our national motto, "A mari usque ad mare."

Gentlemen, we have at this time lighted a torch in Canada, which by the Grace of God and the unwavering faith of the business communities from coast to coast, shall never go out.

Joins Midland Securities

Arthur T. Brooks, formerly of the Royal Securities Corporation, has joined Midland Securities, of London, Ontario, with headquarters at Toronto. Mr. Brooks served with the Royal Securities for nearly seven years and is well known throughout Ontario. He was overseas with the original 19th Battalion, later joining the bond house of A. E. Ames & Company.

Business in Newfoundland

Island Dominion Enters 1927 Optimistic, Despite Fish Decline

ST. JOHN'S, Newfoundland. — Adverse returns from fishing operations, were responsible for a certain amount of depression in Newfoundland during the final quarter of 1926. At the beginning of the year, conditions were uniformly prosperous in all industries, but the drop in fish prices of from $2.00 to $3.00 per quintal, caused a shrinkage in turnover of business last fall estimated at as high as $3,000,000. Aside from this lowering of purchasing power, the situation does not call for any undue pessimism. Local factories were fully employed during the year, and wholesale and retail trades experienced a good volume of business except during the last three months. Unemployment was less than usual owing to the greater amount of work offered in the pulp and paper mills and on construction of new highways.

The following table shows the situation as it existed at the end of June, 1926, the close of the fiscal year, from which it will be seen exports and imports are practically the same, while the public debt has increased $5,000,000. In previous years, imports were usually considerably higher than exports. The decrease in exports and lowering of revenue was due to the importation of some $15,000,000 of materials—free of dutv—for the construction of the new hotel at Saint John's, the dry dock and the paper plant at Corner Brooks.

	1926 June 30	1925 June 30
Imports	$27,552,303	$36,404,674
Exports	27,563,213	23,590,186
Revenue	9,752,522	9,783,188
Expenditures ..	9,834,447	9,436,185
Public Debt	69,517,998	64,517,998

Since these figures were compiled, the government has raised a loan of $5,000,000, bringing the debt up to $74,517,998. which represents the total obligations outstanding against the Colony and municipalities combined.

Fisheries Revenue Smaller

As the livelihood of the majority of the people is dependent upon the fishing industry, returns from this phase of activity are of vital importance to the welfare of the colony. The catch of cod during 1926, was greater than in the preceding year, having amounted to 1,360,000 quintals, as compared with 1,250,000. Of the total, 260,000 quintals represents the catch in Labrador as against 400,000 in 1925, so that the offshore catch during this period increased by 250,000 quintals.

Marketing the catch. however, was a difficult matter. Weather conditions were unsuitable for curing fish, consequently the quality was not as good as in other years. Norway and Iceland, the principal competitors of Newfoundland, also had god catches, which resulted in breaking down prices and glutting the market. Domestic demand, on the other hand, was better than average, which helped to somewhat relieve the situation. Unfortunately, consumption of fish by New Foundlanders only accounts for a small portion of the total catch and the carryover this winter will be especially heavy. Thus a large number of the fishermen will not be able to realize on their work for some months to come and already a large number are in debt.

Seal Hunting Successful

In contrast to cod fishing, seal hunting was particularly successful; in fact, the number of these animals taken during the past year was the highest since 1916. According to official estimates the number of pelts taken was 211,531, valued at $395,510, as compared with 127,882 valued at $269,467 in the previous year. Although prices realized for both pelts and oil were lower than in 1925. the heavier catch was more than enough to offset any depreciation from this score.

There was greater activity in the cod liver oil industry during the year, than has been in evidence for many years and it is expected that final figures will show a production of about 300,000 gallons. Several American companies are interested in this industry and it is likely that new developments will take place in the very near future. Cod oil production decreased slightly owing to the increased output of cod liver oil. About 4,000 tons were put up, as compared with 5,000 tons in the preceding year.

Paper Exports Worth $10,000,000

The outstanding industrial activity on the Island last year was in the pulp and paper industry. The Anglo-Newfoundland Development Co., Ltd., operated their Grand Falls plant at 285 tons daily, which was within 15 tons of rated capacity. The mill of the Newfoundland Pulp and Paper Company produced 400 tons, or full capacity, daily. As a consequence paper exports from the Island are estimated to have totalled more than $10,000,000 for the year.

Supplying the mills with pulpwood, was the principal lumbering activity. It is estimated that 275 000 cords will be cut during the 1926-1927 winter season. There will also be a small production of sawn lumber for domestic consumption, but operations in this connection will be on a limited scale.

New Mining Developments

The iron ore deposits on Bell Island were worked during the greater part of the year and production for the eleven months ended November last totalled 824,694 tons, as compared with 856,294 tons for the same period of the previous year. Ore shipped to the end of the season amounted to 865,417 tons, a decrease from the previous year when shipments totalled 1,162,010. Lack of orders from Europe caused the falling off in exports. Distribution of iron ore exports last year, is as follows:

United States	119,544 tons
Canada	415,738 tons
Europe	330,135 tons

Other developments in the Island's mining industry last year were the opening of a lead mine near Millertown and preliminary work on an old iron mine at Snow's Pond, near Clarkes Beach, Conception Bay. The former property is owned by the Anglo-Newfoundland Development Company and is being developed in conjunction with the American Smelting and Refining Company. Production is expected this year and operations at the mine will provide employment for a large number of men. Development of the iron mine is being undertaken by the Ford Co. and drilling operations are scheduled to start sometime this spring.

No figures are available in regard to the value of agricultural production, but it is fully anticipated that the returns will be greater than in 1925. During the past few years, revenue from this source has approximated $15,000 000 annually. Potatoes, in particular, were unusually plentiful last year, as was also hay.

TWO TEXTILE FIRMS' POSITION BETTERED

Wabasso and "Textile" Find the 1926 Year Satisfactory—Others Do Not Fare so Well

From Our Own Correspondent.

MONTREAL.—The twelve months just concluded have not been entirely satisfactory as far as the cotton textile companies are concerned, and some of the companies have had to fight hard to retain the volume of sales experienced in 1925. But there are some satisfactory showings being made in the industry, and it is understood that the Wabasso Cotton Company experienced a satisfactory first half of its fiscal year during the period which ended December 31.

The shares pay $4 annually and are changing hands at about 105, as compared with a low of 61 in 1926. The reason Wabasso has been able to better its position is due in part to the fact that it produces specialized lines, such as fine white cottons; these do not experience the same keen competition which prevails elsewhere in the industry. Also, the company operates under an extremely competent management.

Dominion Textile Does Well

The Dominion Textile Company has also, no doubt, felt the competition which has prevailed in 1926, but this company produces an extraordinarily wide range of lines, many of which are utilized as the raw material of other industries, and thus its earnings do not follow so closely the ups and downs of the cotton textile industry as a whole. Moreover, its management has built the company up into a remarkably strong financial position, which makes it feel less the ups and downs experienced by some others in the industry.

The present price at which Dominion Textile changes hands appears to indicate that there are constructive developments in the offing. Whether these materialize or not is still a matter of pure conjecture.

New Mill for Toronto?

MONTREAL.—Negotiations have been initiated by large U. S. paper interests to acquire a mill site near the Don Valley Paper, in Toronto. If erected, the new plant would be associated with the Don Valley Paper Company and, it is understood, would produce pulp by a new process.

Capital Stock

Toronto Brewing & Malting Company, Limited

LOCATION:
1⅛ acres at Simcoe and Dundas Streets in the City of Toronto.

ASSETS:
(Appraised) $1,440,000, or $12.00 for each share of stock issued.

CAPACITY:
400 barrels of lager beer per day, or 120,000 barrels per year.

EARNINGS:
(Estimated) $300,000, or $2.50 per share.

Price: $12.00 per share

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JOHN BRIDGE IS NO LONGER HEAD OF AUTO CREDIT

Company With Participating Bonds Now Managed by Other Men

John Bridge, formerly connected with the Ruggles Truck Co., recently resigned as president of the Automotive Credit Corp., and is no longer a director, or even a shareholder. The president of the corporation is L. H. Read, an automobile distributor of Joliette, Que., and the vice-president is another dealer and distributor, C. O. Baptist of Three Rivers, Que. A. E. Hyndman, Toronto, is secretary and treasurer, and the two other directors are H. G. Keen, Toronto, and A. W. Dunn, Montreal.

Both the president and vice-president, it is said, bring to the credit corporation a large volume of business. The head office is in the Temple Bldg., Toronto, and another office is maintained in Montreal. Officers of the company say that overhead expenses are kept at a minimum and that cost of collections are low. The corporation accepts no non-recourse paper. Repossessions are said to be very few in number and, in such events, the dealer is responsible to the credit corporation.

Promise Balance Sheet

The Financial Post has been promised a copy of the last balance sheet of the company.

Automotive Credit Corp. has been in operation eighteen months.

Last year 10½ per cent. was paid the holders of the twenty-year 6½ per cent. bonds, due in 1945. These bonds have been sold to the amount of $320,000 to subscribers, mostly in Quebec, in denominations of $100, $500 and $1,000. The corporation at present, it is stated at the Toronto office, has no salesmen out. Some persons whose names are not given are said to be negotiating for the purchase of the remainder of the bonds. The amount of the total has not been stated.

The corporation is incorporated for $100,000, of which $50,000 is preferred stock. The bonds are a prior claim on earnings, it is stated, and bondholders would have voting rights should interest get in arrears. Surplus of earnings after payment of the 6½ per cent. Interest are divided equally between the shareholders and the bondholders.

Manufacturers Compete

The corporation is operating along the lines of other companies financing instalment purchase of automobiles. Some of these companies are making money. There is a field for them, although most of the large automobile manufacturers now have as subsidiary companies, finance corporations which operate through dealers. These companies in Canada are said to be getting the bulk of the business.

Success of any of these companies, like the success of most other concerns, is dependent on management.

Why Is It a Bond

Automotive Credit Corp. differs from other concerns doing a similar line of business in that it has financed through the medium of a so-called bond, with a participating feature or a bonus of common.

The long term of the automotive bonds may be criticised, also, on the ground that, by 1945, there are certain to be many changes in the personnel of the business and possibly in the method of financing purchases The latter is none the less probable for the reason that question of the correctness of instalment purchases still is being strenuously debated. Long before 1945, the automobile purchaser may find a cheaper means of buying an automobile. Some are deterred now when they calculate the rates of interest which are collected on the unpaid balances.

Cosmos Mills Instal Largest Canvas Loom

YARMOUTH.—The Cosmos Imperial Mills have installed what is said to be the largest loom in the world, capable of making cotton duck 204 inches wide. The duck is known as "papermaker's felt" and is used in large paper mills throughout Canada and many foreign countries.

Cosmos Imperials Mills also maintain a plant at Hamilton, Ont., for the manufacture of cotton fabrics used in large quantities by paper plants, railroad car builders, and manufacturers of various kinds of watercraft. It is expected that the annual report will show a material, perhaps substantial, improvement over last year, although there have been few predictions of a resumption in the dividend on the common, on which nothing has been paid since 1923.

CAN. PERMANENT MORTGAGE SHOWS GAIN IN PROFITS

Total Assets Are Greater by Nearly $2,000,000 Than Year Ago

After making the usual deductions of expenses of management, interest on borrowed capital and payment of Dominion and provincial taxes, the Canada Permanent Mortgage shows net profits for 1926 of $967,724, an increase of $21,557 over that reported for 1925. After carrying forward $94,804 the balance at credit of profit and loss at the beginning of the year, $1,062,529 was made available for distribution. From this sum, the usual dividends of 12 per cent. on the paid-up capital stock was taken, amounting to $840,000 and the balance carried forward as surplus.

Assets of the company are shown at $50,613,510, which compares with $48,281,493 for the preceding year. Mortgages on real estate amount to $42 950,547, as against $48,281,493 at the end of 1925, a decrease of approximately $5,350,000. There are also substantial holdings of federal and provincial bonds, as well as $288,331 worth of City of Toronto bonds. Its holdings of stocks are not shown in detail as was the case in previous reports. At the end of last year, however, the company held stocks to the value of $1,515.705, which included $980,000 of the Canada Permanent Trust Co. at par. There is also an item of $75,607 of Canadian Pacific Railway Co. collateral trust bonds.

Cash in chartered banks and on hand show a substantial increase totalling $1,860,897 at the end of 1926, as compared with $1,532,599 at the corresponding date a year ago.

Liabilities to the public total $35,680,980, of which $26,266,688 represents debenture stocks of various types. Deposits and accrued interest show a healthy increase, amounting to $9,398.689, compared with $8,575,231 at the end of 1925. Sundry accounts are placed at $15.602. The balance of liabilities, or $14,932,529, is to the shareholders. There is no change in the reserve fund, which now amounts to $500,000 more than the paid up capital stock of $7,000,000. The sum of $210,000 is listed as a quarterly dividend of 3 per cent. payable January 3, 1927, while the remainder amounting to $222 529, represents the balance carried forward at credit of profit and loss.

Profit and Loss

	1926	1925	1924
Net Profits	$ 967,725	$ 946,167	$ 922,683
Balance Forw'd'd	94,804	488,637	405,954
	$1,062,529	$1,434,804	$1,348,637
Distribution:			
Divid'ds	$ 840,000	$ 840.000	$ 840,000
Reserve	......	500,000	......
Balance	222,529	94,804	488,637
	$1,062,529	$1,434,884	$1,328,637

Ten Years' Record

Year	Paid-up Capital	Profits	% Div.	Profits Av. Cap.
1926	$7,000,000	$967,715	12	13.82
1925	7,000,000	946,167	12	13.51
1924	7,000,000	922,683	12	13.17
1923	7,000,000	911,789	12	13.00
1922	7,000,000	903,019	12	12.90
1921	7,000,000	896,366	12	*13.79
1920	6,000,000	854,277	10	14.2
1919	6,000,000	827,984	10	13.8
1918	6,000,000	824,532	10	13.7
1917	6,000,000	852,325	10	14.2

*$6,000,000 for the first six months and $7,000,000 for second six months.

START TRADING IN STOCK OF MERGED HAMILTON DAIRIES

Prices Compare Favorably With Offering to Public Prior to Listing

Trading in the preferred and common stock of the Hamilton Dairies, which opened on the Toronto stock exchange January 7, has been meeting with success. The preferred has been finding a ready market and the common at about 23, thus keeping well up with the price of $118 for one common and one preferred at which the stock was offered to the public through Denman & Co., investment bankers, Hamilton, last summer and fall.

Hamilton Dairies are an amalgamation of six milk, butter and ice-cream plants: The Hamilton Dairy, the Wentworth Dairy Co., the Cloverdale Creamery, the Bonnie Bank Dairy, Hamilton Ice Cream, Ltd., and Caledonia Dairy, Ltd. These companies serve a large part of Hamilton with milk and cream, and their butter and ice-cream products enter other fields in Western Ontario. Four of the directors, D. C. Flatt, John I. Flatt, D. Z. Gibson and George H. Bethune, are experienced in the milk, butter and ice-cream business and the fifth director is R. O. Denman, who has shown considerable ability in financial matters.

Assets Are $1,300,000

The consolidated balance sheet of the amalgamated company as of July 31, 1926, showed assets of $1,298,366, of which $224,293 represented current assets, $724,093 the depreciated value of plant and equipment and $350,000 the value of goodwill as existing in organized milk routes, etc. Current liabilities were less than current assets by $90,000 and deferred liabilities totaled $68,235.

The par value of the outstanding preferred stock is $750,000 and the 26,000 shares of no-par common are carried on the books as worth $340,856.

The average annual earnings of the six dairies for 18 months prior to the merger total $93,349. John I. Flatt, general manager of the merged enterprise, estimated that through economies of operating through one bottling plant and the consolidation of overlapping milk routes and other services, the annual earnings, on the basis of the gross business of the six companies, would be increased by $74,500 annually. The total net earnings would be $167,849 according to this estimate. This is more than three times the dividend requirements on the preferred and is at the rate of $4.43 per share on the common.

Earnings Exceed Estimate

It is understood that the net earnings for the company for the three months ended October 31st, the first quarter of the consolidated operation, were somewhat in excess of earnings anticipated In this connection, however, persons close to the company point out that these are months when the ice-cream business is heavy. While there is every reason to hope that, under the skilled management, the merger will work out satisfactorily, it will be necessary to await a full year to get an accurate idea as to what the earnings actually will be.

It is understood that common share control is vested in a voting trust in which six individuals are interested. Twenty dollars was the price paid the company for all common not purchased with the preferred. The preferred is 7 per cent. cumulative from September, 1926. It is callable in three years at 105 and accrued. It is non-voting unless dividends are in arrears two years.

Copeland Profits Improved

In The Post of December 30th, 1926, there appeared an article with the following heading:

Copeland Milling Profits Lower Than Previous Year.

It stated that the earnings were shown at $31,000, as against a loss of $40,000 the year before. The figures in the article were correct, but the heading was wrong.

Canada Life to Credit 95% Profits on Policies

Eightieth annual report of the Canada Life Assurance Co., issued this week, records another year of continued success for the company. The new assurance written by the company, and paid for in 1926, amounted to $136,939,201, which constitutes a new record and exceeds the 1925 mark by $8,375,705, an increase of over 6 per cent. In making his annual address, Herbert C. Cox, president of the company announced that, in future, 95 per cent. of all profits would be paid to policyholders. Formerly 90 per cent. has been credited to them, but the new division is made possible by the reduction in the shareholder's portion of profits, from 10 to 5 per cent. Two new appointments to the board of directors are announced, namely, Arthur V. Davis, Pittsburg, and John Stuart, Chicago. These men were appointed to fill the vacancies left by the death of Adam Brown, of Hamilton, and of Robert Stuart, Chicago.

The total business in force amounted at the end of the year to $673,390,369, the gain during the year being $94,729,879. Net income was $32,031,415, and the assets of the company now stand at $127,247,503, showing the greatest gain in any one year.

While the year 1926 shows substantial increases in the company's position, the relative increase in business for the year has not been so great as in previous years. Last year the company increased its new insurance by nearly 22 per cent. Some of the more important figures in the company's statement are as follows:

	1925	1926
Total ins. in force	$578,660,000	$673,390,369
Total assets	114,461,000	127,247,503
Reserves for policy-holders	100,296,000	112,530,400
New assurances paid for	128,563,000	136,939,201
Sur. earned	4,576,000	4,218,898
Net income	30,127,000	32,031,415
Dividends to policy-holders	4,585,000	3,490,552
Total payments to subscribers	13,083,000	13,111,438

Courtland Elliott Goes To Saskatoon University

J. Courtland Elliott has accepted an appointment to supply for Professor Swanson, head of the department of economics at the University of Saskatchewan for a period of three months as from January 15. Professor Swanson is leaving immediately for Europe.

Mr. Elliott is a young Canadian economist who is rapidly making a name for himself. He has just completed two years with the Robert Brooking School for Graduates in Economics and Government at Washington, D.C., during which time for a period of six months he was engaged by the Federal Reserve Board of Washington for a special economic and statistical survey of Canada. This, in itself, was a distinct compliment to Mr. Elliott's ability.

Mr. Elliott is a native of Kingston, Ontario, son of a veteran editor, Joseph C. Elliott, who but recently retired from active editorship of the British Whig, with which he has been identified for some forty years. He is a graduate of Queen's University, was for a short time an assistant professor at the University of Saskatchewan, following which he entered upon a scholarship course in Paris, France. Returning to Canada, he was associated with A. E. Ames & Co., in their Toronto office for a period of two years, resigning from this work to pursue further his studies in Washington, D.C.

Trail Smelter Receipts

The Consolidated Mining and Smelting Company makes the following statement of ore receipts at Trail Smelter from 22nd December to 31st December, 1926, inclusive, and from 1st January, 1926, to date, in tons:

	Week	Year
Company's mines	12,440	407,5[illegible]
Other mines	4,768	170,7[illegible]
	17,208	578,2[illegible]

Tourists left $50,906,816 in Ontario last season, according to provincial calculation, of which auto parties contributed $30,779,566.

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Return of the Chartered Banks of the Dominion of Canada, November 30, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due. to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	45,311,213	4,981,237	....	3,874,940	155,100,125	387,566,461	90,398,189	3,092,207	880,884	4,613,924	815,941
Nova Scotia	15,238,786	1,156,651	....	228,427	31,778,567	119,547,390	33,534,319	3,590,240	99,601	1,203,307	721,338
Toronto	8,295,608	301,072	1,500,000	43,961	31,057,557	57,036,662	....	566,088	173,925	1,171,264	890,100
Provinciale	4,076,253	108,152	....	238,893	5,772,546	31,755,018	....	....	....	11,307	....
Commerce	28,849,401	2,490,857	5,000,000	3,532,618	121,627,875	224,201,590	51,465 162	563,739	4,099,870	13,703,291	1,072,587
Royal	39,171,262	1,844,909	....	4,229,939	153,443,111	280,917,705	172,424,622	1,390,944	283,486	16,481,447	6,103,180
Dominion Bank	7,539 854	293,466	3,400,000	191,135	27,559,004	61,854,311	2,103,105	1,621,579	145,437	945,815	114,708
Standard	6,731,160	182,364	3,250,000	148,545	20,937,894	50,294,795	....	1,441,475	441,662	911,301	....
Nationale	11,218,414	875,339	....	1,324,298	24.893,011	86,478,636	1,325,478	552	125,202	529,331	....
Imperial	10,275,893	566,895	....	1,708,583	27,977,877	65,241,582	....	1,639,086	37,820	368,801	....
Weyburn Security	1,069,337	85,410	....	34,814	2,735,071	2,400,862	....	....	....	21,074	....
Total	177,777,181	12,886,352	13,150,000	15,556,153	602,882,638	1,367,295,012	351,250,875	13,905,910	6,287,887	39,960,862	9,717,854

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	11,943,488	852,751	1,503,555	29,916,700	29,916,700	770,768,320	31.175.000	12	993,339	28,829,234	46,410,166	48,893,433
Nova Scotia	6,715.443	63,779	5,288	19,500,000	10,000,000	243,383,141	15,000,000	16	1,285,330	9,136,816	7,902,339	16,214,216
Toronto	1,800,260	286,167	151,415	7,000,000	5,000,000	115,274,083	10,000,000	12	708,160	417,420	5,997,068	8,919,745
Provinciale	6,450	40,825	94,620	1,500,000	4,000,000	47,604,068	5,000,000	9	....	180,374	336,501	4,661,228
Commerce	13,910,914	....	804,740	20,000,000	20,000,000	511,322,650	25,000,000	12	4,727,222	19,383,000	19,471,000	31,448,843
Royal	38,602,848	40,666	1,233,142	24,400,000	24,400,000	764,967,268	30,000,000	12	2,431,752	11,674,481	22,807,405	43,260,476
Dominion Bank	4,612,030	498,712	816	7,000,000	6,000,000	123,879,975	10,000,000	12	628,475	2,155,000	4,383,000	8 220,617
Standard	304,027	147,081	3,875	2,900,000	4,823,400	92,517,583	5,000,000	12	339,837	551,039	2,909,176	7,021,870
Nationale	840,258	....	139,027	5,500,000	5,500,000	138 749 550	10,000,000	10	228 955	831,127	4,616,121	13,152,064
Imperial	598,653	....	3,942	7,500,000	7,000,000	122,919,138	10,000,000	12	540,110	961,283	5,640,315	11,315,378
Weyburn Security	....	....	....	225,000	524,560	7,096,131	1,000,000	5	111,252	23,853	62 613	1,304,000
Total	79,334,371	1,929,981	3,940,420	125,441,700	117,164,660	2,938,481,907	152,175 000	.....	11 994,432	74,143,627	120,535,704	194,411,870

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	35,771,806	42,024,196	3,755,342	800,617	29,296,708	94,970	18,288,672	73,363,652	28,511,306	3,784,338	15,202,455	143,870,186
Nova Scotia	9,153,892	7,774,677	1,148,038	1,870,335	12,180,454	....	2,650,353	31,799,298	10,550,740	12,262,628	19,378,017	13,560,971
Toronto	423,300	6,227,540	603,845	84,956	6,745,852	....	2,163,068	19.599,837	3,995,362	3,715,418	7,168,674	....
Provinciale	187,384	1,766,502	654,955	81,196	2,097,831	1,357,750	254,041	4,817,239	1,332,367	3,800,486	11,010,488	....
Commerce	15,230,555	21,500,959	1,932,020	1,638,378	18,237,898		11,979,839	45,320,649	23,935,034	8,972,967	23,951,945	54,102,603
Royal†	21,604,504	33,401,580	3,705,579	28,862,177	27,214,300	....	26,779,991	64,733,057	26,880,492	16,380,953	29,719,561	71,997,883
Dominion	2,163,854	5,292,741	987,405	222,878	6,682,871	33	1,439,958	15,811,719	4,661,468	2,303,362	8.269,783	2,671,298
Standard	579,577	3,128,701	663,354	78,148	5,005,529	....	1,379,784	11,718,329	3,100,028	3,222,703	11,564,331	....
Nationale°	913,765	8,604,090	1,122,290	176,746	6,466,981	849,314	1,460,570	20,700,999	11,437,105	1,435,580	5,891,554	....
Imperial	981,784	7,059,468	1,000,798	196,936	6,154,050	780,223	1,866,610	15,701,954	5,540,366	69,737	9,216,734	2,600,000
Weyburn Security	24,315	60,527	28,900	793	73,943	1,605,722	252,027	906,168	9,314	314,441	....	100,000
Total	87,034,736	136,840,981	15,602,526	32,013,160	120,156,417	4,688,012	68,514,913	304,472,901	119,953,582	56.262,613	141,379,542	288,902,941

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	245,586,691	54,329,172	28,105,567	2,457,555	806,858	1,082,836	11,800 000	11,943,488	1,420,787	18,000,000	1,405,256	529,544	772,232,012
Nova Scotia	77,281,373	20,882,868	3,961,100	430,534	43,946	111,526	7,215,825	6,715,443	484,391	6,000,000	....	108,369	245,564,789
Toronto	51,891,238	....	3,327,260	154,371	....	216,629	3,324,595	1,800,260	256,775	4,055,866	....	....	115,754,855
Provinciale	15,395,158	....	2,196,805	142,836	470,807	104,991	1,826,507	6,450	158,400	....		212,300	47,880,504
Commerce	189,974,565	25,127,911	26,211,668	1,722,841	2,078,979	935,001	11,684,539	13,910,914	1,000,000	11,000,000	1,786,465	367,808	512,603,549
Royal†	188,649,870	138,384,822	9,109,358	2,583,639	2,141,979	1,387,555	14,401,556	38,602,848	1,245,000	18,000,000	2,047,372	542,854	766,376,943
Dominion	60.956,552	1,033,127	825,316	287,944	36,870	38,323	5,935,131	4,612,030	310,000	700,000	....	346,781	125,578,452
Standard	43,169,344	....	1,665,517	540,813	323,130	262,172	3,731,515	304 027	250,000	1,800,000	....	108,146	93,595,156
Nationale°	55,963 647	1,289,323	6,897,839	180,983	1,253,362	1,006,399	5,470,438	840,258	281,035	6,500,000	....	327,942	139,070,229
Imperial	55,419,682	....	6,266,626	327,410	613,021	552,998	4,922,638	598,653	332,730	4,004,466	....	346,656	124,553,549
Weyburn Security	2,112.576	301,681	40,002	74,773	179,830	126,059	248,162	....	27,532	600,000	....	72,596	7,159,371
Total	986,400,696	241,337,902	89,607,058	8,903,699	7,948,782	5,824,489	70,560,906	79,334,371	5,766,650	70,660,332	5,239,093	2,962,996	2,950,369,409

**Of this deposit, $26,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banqu e Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, JANUARY 7, 1927.